



KPL INTERNATIONAL LIMITED
chemistry of partnerships

ANNUAL REPORT

2020 - 21



KPL INTERNATIONAL LIMITED

chemistry of partnerships

BOARD OF DIRECTORS

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

AUDITORS

J K V S & Co.
Chartered Accountants
New Delhi

BANKERS

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

REGISTERED OFFICE

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

CORPORATE OFFICE

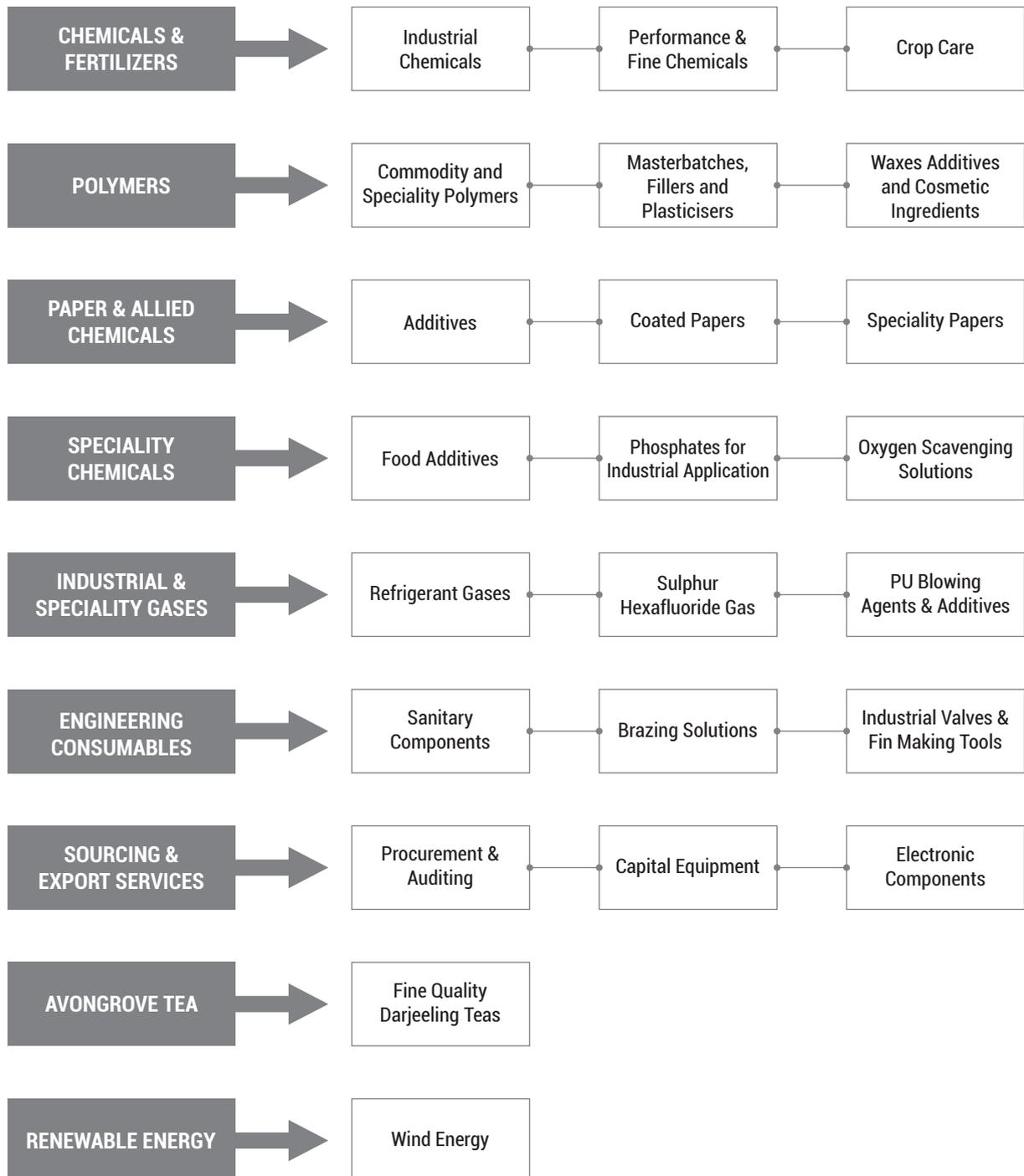
201-211, 2nd Floor,
Indraprakash Building,
21, Barakhamba Road,
New Delhi - 110 001
Phone: +91 11 43606200
Fax: +91 11 23355824
Email: info@kplintl.com
Website: www.kplintl.com

REGISTRAR & SHARE TRANSFER AGENT

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

KPL INTERNATIONAL LIMITED

Business Portfolio



KPL International Limited (KPL) specializes in the marketing of quality products in India, such as chemicals, polymers, paper and paper chemicals, industrial gases and allied products sourced from globally acclaimed manufacturers. ISO 9001 quality certification and process specialization in marketing, distribution and sourcing enables KPL to represent 50+ global giants and over 5000+ customers that includes many of the finest Indian business houses. KPL provides a basket of services and end-to-end solutions to customers. For successive years, KPL has been ranked in the list of ICIS Global Top 100 chemical distributors.

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

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

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

The Industrial Gas Division of KPL has set-up a gas refilling plant at Ankleshwar in the state of Gujarat. The company also set-up an SF6 bottling plant in technical collaboration with Solvay Fluor GmbH, Germany, this brings in operational efficiency to service our power sector customers. KPL also has access to the R&D facilities of Group Company, Kanoria Chemicals & Industries Limited at Ankleshwar.

In recent years, the Company has keenly looked at the renewable energy sector. KPL presently has a generation capacity of 15.35 MW wind turbine electrical power, thereby becoming carbon neutral in its energy consumption.

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

DIRECTOR'S REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 47th Annual Report together with the Audited Annual Accounts of the Company for the year ended on 31st March, 2021.

FINANCIAL HIGHLIGHTS

During the year under review, the profit after tax was Rs. 1,260.15 Lakhs as against Rs. 2,416.39 Lakhs in the previous year.

WORKING RESULTS

(Rs. In Lakhs)

| | |
|--|----------|
| Profit before Interest, Depreciation & Tax | 3,414.61 |
| Less: Finance Cost | 438.43 |
| Depreciation & Amortization | 1,005.74 |
| Provision for Taxation (Including Deferred Tax) | 710.29 |
| Profit for the year | 1,260.15 |
| Add: Balance at the beginning of the year | 6,395.77 |
| Balance at the end of the year | 7,655.92 |

OPERATIONAL REVIEW

With its deep understanding of Indian and International markets and its process specialization in marketing, distribution and sourcing, the Company continues to nurture and deepen its relationships and capitalise upon its strength across all segments of its activities. The Company's commitment to service excellence enables it to maintain its position as one of the top Indenting and Distribution Companies in India for Chemicals and Polymers. KPL takes pride in informing that it was ranked 79th globally in the ICIS Top Chemical Distributor Listing and was ranked 19th within Asia.

The Company has a diverse basket of products and services and is agile and responsive to the fast- changing needs of its customers. It is ISO 9001 certified and operates on a SAP ERP platform that helps the company in managing information as per global standards.

The Revenue from Operations during the year was Rs. 38,716.88 Lakhs as against Rs. 49,036.50 Lakhs in the previous year. The revenue includes the income from commission of Rs. 1,373.39 Lakhs as against Rs. 2,001.89 in the previous year and income from Wind Turbine power of Rs. 1,190.45 Lakhs as against Rs. 1,476.75 Lakhs in the previous year. This financial year has registered a decrease in revenue as compared to previous financial year because of various restrictions including lockdown imposed by the Government and economic uncertainty due to COVID-19 pandemic.

This financial year was an unprecedented year with Covid-19 pandemic impacting the globe and global supply chains. It threw up unique challenges amidst one of the biggest global health crises ever. It is indeed heartening to note that each and everyone in the KPL family rose to the occasion and ensured that business continuity was maintained with least possible impact, not only in terms of financial implications but more importantly on quality of service.

Notwithstanding the challenges poised on account of the Covid-19 pandemic, the Company was able to culminate new association for a diverse product portfolio with a leading MNC for the Bangladesh region. This will likely be resultant to the company's regional business penetration. In order to strengthen and upscale of presence in Bangladesh the Representative office of the company would be upgraded in Branch Office.

A carefully planned protocol, including as stipulated by the Central and State Governments, to ensure smooth operation and the safety and wellbeing of fellow colleagues was put in place. The pandemic, however, has not left the company unscathed. At the time of writing this report, it is with grief that the directors report the loss of two of our dear colleagues, Mr. Debendra Sahoo and Mr. Vishal Sharma, who became victims of this deadly disease. Their fellow colleagues and team mates, together with the Company, have been very generous in contributing to helping mitigate the financial hardships that the bereaved families might face. Our sincere condolences to the families.

The directors record their appreciation for the dedication and commitment of all the employees.

In the current financial year due to second wave of COVID-19 pandemic, the phase wise states lockdown has again been imposed. However, the company's operations continue to show resilience and the company is reasonably confident to face any challenges that may arise.

DIVIDEND

The board has not recommended any Dividend during the period ended 31st March, 2021.

TRANSFER TO RESERVES

Your Company has not transferred any amount to the General Reserve for the financial year ended 31st March, 2021.

MATERIAL CHANGES AND COMMITMENTS

SCHEME OF AMALGAMATION

With a view to simplify the corporate structure, the Holding Company namely, Vardhan Finvest Limited, is being merged with the Company, with effect from 1st April, 2021, in accordance with the Scheme of Amalgamation as approved by the members in the NCLT convened Meeting held on 24th April, 2021. The application is under advanced stage and approval of Hon'ble National Company Law Tribunal (NCLT) is expected in this financial year.

DIRECTORS

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

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

MEETINGS OF BOARD OF DIRECTORS

During the year 2020-21, the Company held six meetings of the Board of Directors on 29th June, 2020, 20th July, 2020, 07th September, 2020, 27th October, 2020, 19th January, 2021 and 18th March, 2021.

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY

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

SUBSIDIARY COMPANY

The Company does not have any subsidiary.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

STATUTORY AUDITORS & THEIR REPORT

M/s JKVS & Co., Chartered Accountants, were appointed as the Statutory Auditors of the Company at the Annual General Meeting of the Company held on 29th September, 2020 for a period of 5 years on the recommendation of the Audit Committee and the Board of Directors. The observations made by the Auditors of the Company in their report are in the nature of general disclosures and are self explanatory.

SECRETARIAL AUDITORS & THEIR REPORT

The Board has appointed M/s Kavita Srivastava & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended 31st March, 2021 is annexed herewith marked as Annexure IV to this report. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

SIGNIFICANT AND MATERIAL ORDERS

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

RISK MANAGEMENT

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

INTERNAL FINANCIAL CONTROLS

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

EXTRACT OF ANNUAL RETURN

Extract of the Annual Return of the Company as on the financial year ended 31st March, 2021 as per Annexure II forming part of this report.

VIGIL MECHANISM

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

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

<http://www.kplintl.com/images/Whistler-blower-policy-2021.pdf>

DIRECTORS RESPONSIBILITY STATEMENT

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

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

DEPOSITS

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

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

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

QUALITY MANAGEMENT SYSTEM

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

ACKNOWLEDGMENT

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

Registered office:

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

Date: 06th July, 2021

For and on behalf of the Board

R. V. Kanoria
Chairman
DIN: 00003792

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

In accordance with the provisions of the Companies Act, 2013, as amended read with the Notification issued by the Ministry of Corporate Affairs dated the 22nd of January, 2021 and the rules made thereunder, the Company has framed its CSR Policy to carry out its CSR activities in accordance with Schedule VII of the Act. CSR Initiatives taken by the Company during the year includes woman empowerment and promotion of vocational skills as well as promotion of education. This Policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different sections of the society. The Company's revised CSR policy is placed on its website and the web-link for the same is <http://www.kplintl.com/images/CSR-Policy-2021.pdf>

2. Composition of CSR Committee

| S. No. | Name of the Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|-------------------------|------------------------------------|--|--|
| 1 | Shri Vinay Kumar Bagla | Independent Director | 1 | 1 |
| 2 | Shri Surinder Kumar Kak | Managing Director | 1 | 1 |
| 3 | Smt. Vaidehi Kanoria | Director | 1 | 1 |

3. CSR Policy of the Company is available on the Company's website:

(<http://www.kplintl.com/images/CSR-Policy-2021.pdf>)

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

| S. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be setoff for the financial year, if any (in Rs) |
|--------|----------------|---|---|
| 1 | | | |
| 2 | | | |
| | Total | | NA |

- 6. Average Net Profit of the company as per section 135(5)** Rs. 21,24,29,801
- 7. (a) Two percent of average net profit of the company as per section 135(5)** Rs. 42,48,596/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years** NA
- (c) Amount required to be set off for the financial year, if any** NA
- (d) Total CSR obligation for the financial year (7a+7b-7c)** Rs. 42,48,596/-

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in Rs.) | Amount Unspent (in Rs.) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total amount transferred to unspent CSR account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of Transfer | Name of the fund | Amount | Date of Transfer |
| 44,59,337* | 4,68,000 | 04.06.2021 | NA | | |

*Inclusive of the amount transferred to unspent CSR account.

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|--------|---|--|---------------------|-------------------------|----------|------------------|---|---|--|--|--|----------------------|
| Sl. No | Name of the project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No) | Location of the Project | | Project Duration | Amount allocated for the project (in Rs.) | Amount spent in the current Financial Year (in Rs.) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration No. |
| 1. | HUNAR – Empowering Woman through Skills | Woman Empowerment & Promotion of Vocational Skills | Yes | New Delhi | Delhi | 12 Months | 18,11,980 | 18,11,980 | NA | NO | Sambhava Foundation | CSR00010112 |
| 2. | Remedial Classes | Remedial Classes for students who do not have access to Internet | Yes | New Delhi | Delhi | 6 Months | 15,60,000 | 10,92,000 | 4,68,000 | NO | Sambhava Foundation | CSR00010112 |
| | | | Total | | | 33,71,980 | 29,03,980 | 4,68,000 | | | | |

(c) Details of CSR amount spent against other than Ongoing Projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|--------|--|--|---------------------|-------------------------|----------|---|--|--|----------------------|
| Sl. No | Name of the project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No) | Location of the Project | | Amount spent in the current Financial Year (in Rs.) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration No. |
| 1. | Training & Employment as Sewing Machine Operator & Quality Assistant | Skilling women as Sewing Machine Operator | Yes | New Delhi | Delhi | 9,62,357 | NO | Sambhava Foundation | CSR00010112 |
| 2. | Donation for vocational & skill development training | vocational & skill development training for students | Yes | New Delhi | Delhi | 1,25,000 | NO | Sambhava Foundation | CSR00010112 |
| | | | Total | | | 10,87,357 | | | |

(d) Amount spent in Administrative Overheads:

Rs. 3,22,500

(e) Amount spent on Impact Assessment, if applicable:

NA

(f) Total amount spent for the Financial Year :

Rs. 44,59,337

(g) Excess amount for Set off, if any:

| S. No. | Particular | Amount |
|--------|---|-----------|
| i | Two percent of average net profit of the company as per Section 135(5) | 42,48,596 |
| ii | Total amount spent for the Financial Year | 44,59,337 |
| iii | Excess amount spent for the financial year [(ii)-(i)] | 2,10,741 |
| iv | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| v | Amount available for set off in succeeding financial years [(iii-iv)] | 2,10,741 |

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

| S. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) | Amount spent in the reporting Financial Year | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years |
|--------|--------------------------|---|--|---|--------|------------------|--|
| | | | | Name of the Fund | Amount | Date of Transfer | |
| 1 | 2019-20 | NA | 33,59,835 | Not applicable | | | Nil |
| 2 | 2018-19 | NA | 33,33,352 | | | | Nil |
| 3 | 2017-18 | NA | 48,60,480 | | | | Nil |

(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year :

| S. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project | Amount spent on the project in the reporting Financial Year | Cumulative amount spent at the end of reporting Financial Year. | Status of the project - Completed /Ongoing |
|----------------|------------|---------------------|---|------------------|--|---|---|--|
| Not applicable | | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) - Not applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Due to COVID 19 pandemic and lockdown, the activities as planned could not be completed. However, the Company deposited unspent amount of the ongoing project related to CSR, in a separate Bank account.

Registered office:

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

Date: 06th July, 2021

For and on behalf of the Board,

R. V. Kanoria
Chairman
DIN: 00003792

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

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name & Description of main products/services | NIC Code of the Product/ Service | % of total turnover of the Company |
|---------|---|----------------------------------|------------------------------------|
| 1. | Wholesale of Industrial Chemicals, polymers, etc. | 4669 | 89.25% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

(a) Category-wise Share Holding

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

(b) Shareholding of Promoters

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

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

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

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

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

(e) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS (Rs. In Lakhs)

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

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 6,678.63 | 699.62 | | 7,378.25 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | 8.66 | - | | 8.66 |
| Total (i+ii+iii) | 6,687.29 | 699.62 | | 7,386.91 |
| Change in Indebtedness during the financial year* | | | | |
| Addition | 10,407.09 | - | | 10,407.09 |
| Reduction | 14,544.94 | 699.62 | | 15,244.56 |
| Net Change | -4,137.85 | -699.62 | | -4,837.47 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 2,542.35 | | | 2,542.35 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | 7.09 | | | 7.09 |
| Total (i+ii+iii) | 2,549.44 | - | | 2,549.44 |

* Net change of Cash Credit facility has been taken.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sl. No. | Particulars of Remuneration | Amount |
|--|---|--|
| Surinder Kumar Kak - Managing Director | | |
| 1. | Gross salary | 84,07,996 |
| (a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - |
| (b) | Value of perquisites u/s 17(2) Income-tax Act, 1961 | - |
| (c) | Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - |
| 2. | Stock Option | - |
| 3. | Sweat Equity | - |
| 4. | Commission - as % of profit | 16,56,609 |
| 5. | Others, please specify | 4,69,200 |
| | Total (A) | 1,05,33,805 |
| | Ceiling as per the Act | 5% of the profits calculated under Section 198 of the Companies Act, |

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

| Sl. No. | Particulars of Remuneration | Name of Director | | | | | |
|---------|--|-----------------------|------------------------|-----------------|-----------------------|-------------------|---------------|
| | | Rajya Vardhan Kanoria | Saumya Vardhan Kanoria | Vaidehi Kanoria | Anand Vardhan Kanoria | Vinay Kumar Bagla | Rohit Mundra |
| 1. | Independent Directors Fee for attending board / committee meetings | Nil | Nil | Nil | Nil | 90,000 | 90,000 |
| | Commission | Nil | Nil | Nil | Nil | Nil | Nil |
| | Others, please specify | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total (1) | Nil | Nil | Nil | Nil | 90,000 | 90,000 |
| 2. | Other Non-Executive Directors | | | | | | |
| | Fee for attending board / committee meetings | 95,000 | 60,000 | 45,000 | 20,000 | Nil | Nil |
| | Commission | Nil | Nil | Nil | Nil | Nil | Nil |
| | Others, please specify | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total (2) | 95,000 | 60,000 | 45,000 | 20,000 | Nil | Nil |
| | Total (B)=(1+2) | 95,000 | 60,000 | 45,000 | 20,000 | 90,000 | 90,000 |
| | Total Managerial Remuneration | 95,000 | 60,000 | 45,000 | 20,000 | 90,000 | 90,000 |
| | Overall Ceiling as per the Act | - | - | - | - | - | - |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (Rs. In Lakhs)

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Place : New Delhi
Date : 06th July, 2021

R. V. Kanoria
Chairman
DIN: 00003792

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

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

(A) Conservation of Energy :

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

(B) Technology Absorption :

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

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

For and on behalf of the Board

Place : New Delhi
Date : 06th July, 2021

R. V. Kanoria
Chairman
DIN: 00003792

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2021

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, generally 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 31st March, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; - **Not Applicable to the Company during the Audit Period.**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

- (vi) The Company has identified the following laws as specifically applicable to the Company in respect of which, the Company holds the valid licenses and/or certificate of registration during the audit period:
 - 1. Food Safety and Standard Act, 2006 and rules made thereunder;
 - 2. Drugs and Cosmetics Act, 1940 and Rules made thereunder;
 - 3. Gas Cylinder Rules 2004;
 - 4. Indian Explosives Act 1884;
 - 5. Static & Mobile Pressure Vessel (Unfired) Rules, 1981;
 - 6. Tea (Marketing) Control Order, 2003;
 - 7. Tea (Distribution & Export) Control Order 2005

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

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

- (i) Secretarial Standards with regard to the Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable: Not Applicable to the Company during the Audit Period as the Company is an Unlisted Public Company.

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

We further report that -

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as on 31st March, 2021.
- Adequate notice is given to all directors to schedule the Board Meetings and agenda were sent at least seven days in advance. As explained by the management, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- On the basis of Minutes of Board Meeting, it is apparent that all the decisions are carried through unanimous consensus and there were no dissenting members' views and hence, no recording was done in this regard as part of the minutes.

We further report that -

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

We further report that -

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

We further report that during the Audit Period, the Company has not incurred any specific event/action that can have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. except the following :

- (i) Re-appointment of Mr. Surinder Kumar Kak as Managing Director of the Company.
- (ii) Scheme of Amalgamation of the Company under which Vardhan Finvest Limited (the Holding Company) will be merged with KPL International Limited with effect from 1st April, 2021 under section 230 to 232 of the Companies Act, 2013 is pending before Hon'ble National Company Law Tribunal (NCLT).

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

For Kavita Srivastava & Associates

(CS Kavita Srivastava)

Practicing Company Secretary

M. No.: F6260

C. P. No.: 9393

UDIN: F006260C000575334

Place : New Delhi

Date : July 6, 2021

"ANNEXURE A"

To,

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

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

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

For Kavita Srivastava & Associates

(CS Kavita Srivastava)

Practicing Company Secretary

M. No.: F6260

C. P. No.: 9393

UDIN: F006260C000575334

Place : New Delhi
Date : July 6, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of KPL International Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **KPL International Limited ("the Company")**, which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, and its cash flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of Management for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of Financial Statement

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

As part of an audit in accordance with SAs, we exercise professional judgement 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches/depots not visited by us.
 - c. The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches/depots not visited by us.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
 - e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – **Refer Note No. 27.01(c)** to the Financial Statements;
 - ii. The Company did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **J K V S & CO.**
Chartered Accountants
Firm Registration No. 318086E

Sajal Goyal
Partner
Membership No. 523903
UDIN: 21523903AAAACU3054

Place : New Delhi
Date : July 6, 2021

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

Re: KPL International Limited

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

| NATURE OF DUES | Amount Involved (Rs.) | Amount Paid (Rs.) | Forum where the dispute is pending | Period |
|--|------------------------------|--------------------------|---|---------------|
| Income Tax | 52,68,773 | 19,97,083 | Commissioner of Income Tax (Appeals) | A.Y 2013-14 |
| | 64,98,439 | 33,62,390 | Commissioner of Income Tax (Appeals) | A.Y 2014-15 |
| | 39,14,870 | - | Commissioner of Income Tax (Appeals) | A.Y 2017-18 |
| | 3,21,918 | - | Commissioner of Income Tax (Appeals) | A.Y 2018-19 |
| Sales Tax (including penalty Rs. 2,40,981) | 15,16,873 | 5,82,089 | Joint Commissioner of Sales Tax, Thane | 2014-15 |
| | 4,54,904 | 50,000 | Additional Commissioner, Delhi | 2011-12 |
| | 65,26,529 | - | Additional Commissioner, Delhi | 2014-15 |
| | 9,89,019 | 3,87,862 | Joint Commissioner of Sales Tax, Thane | 2015-16 |

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

For **J K V S & CO.**
Chartered Accountants
Firm Registration No. 318086E

Sajal Goyal
Partner
Membership No. 523903
UDIN: 21523903AAAACU3054

Place : New Delhi
Date : July 6, 2021

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

We have audited the internal financial controls over financial reporting of KPL International Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **J K V S & CO.**
Chartered Accountants
Firm Registration No. 318086E

Sajal Goyal
Partner
Membership No. 523903
UDIN: 21523903AAAACU3054

Place : New Delhi
Date : July 6, 2021

KPL INTERNATIONAL LIMITED
BALANCE SHEET AS At 31st MARCH 2021

| Particulars | Note No. | As at 31.03.2021 (Rs.) | As at 31.03.2020 (Rs.) |
|---|----------|---------------------------|---------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' Funds | | | |
| (a) Share Capital | 2 | 15,160,000 | 15,160,000 |
| (b) Reserves and Surplus | 3 | 1,077,632,930 | 951,617,923 |
| | | 1,092,792,930 | 966,777,923 |
| (2) Non-current Liabilities | | | |
| (a) Long-term Borrowings | 4 | 152,750,727 | 254,234,633 |
| (b) Deferred Tax Liabilities (Net) | 5 | 66,642,427 | 72,426,634 |
| (c) Other Long-term Liabilities | 6 | 6,652,072 | 12,180,942 |
| (d) Long-term Provisions | 7 | 7,239,487 | 7,221,548 |
| | | 233,284,713 | 346,063,757 |
| (3) Current Liabilities | | | |
| (a) Short-term Borrowings | 8 | - | 374,606,040 |
| (b) Trade Payables | 9 | | |
| (i) Dues to Micro, Small & Medium Enterprises | | 320,601 | 133,340 |
| (ii) Dues to Others | | 648,738,864 | 631,398,246 |
| (c) Other Current Liabilities | 10 | 201,501,380 | 182,987,716 |
| (d) Short-term Provisions | 7 | 3,240,751 | 2,776,859 |
| | | 853,801,596 | 1,191,902,201 |
| TOTAL | | 2,179,879,239 | 2,504,743,881 |
| II. ASSETS | | | |
| (1) Non-current Assets | | | |
| (a) Property, Plant & Equipments | 11 | | |
| (i) Tangible Assets | | 852,762,867 | 949,583,979 |
| (ii) Capital Work-in-Progress | | 18,564,639 | 914,900 |
| (iii) Intangible Assets | | 599,212 | 769,528 |
| | | 871,926,718 | 951,268,407 |
| (c) Long-term Loans & Advances | 13 | 102,676,660 | 142,397,893 |
| | | 974,603,378 | 1,093,666,300 |
| (2) Current Assets | | | |
| (a) Current Investments | 12 | 98,550,490 | 68,550,490 |
| (b) Inventories | 14 | 406,530,212 | 395,118,728 |
| (c) Trade Receivables | 15 | 564,966,786 | 810,352,432 |
| (d) Cash and Cash Equivalents | 16 | 48,572,584 | 47,370,715 |
| (e) Short-term Loans & Advances | 13 | 65,763,698 | 66,672,814 |
| (f) Other Current Assets | 17 | 20,892,091 | 23,012,402 |
| | | 1,205,275,861 | 1,411,077,581 |
| TOTAL | | 2,179,879,239 | 2,504,743,881 |
| Significant Accounting policies | 1 | | |
| Contingent Liabilities and Commitments | 27 | | |
| Other Notes to Accounts | 28 | | |
| <i>The accompanying notes are an integral part of the Financial Statements</i> | | | |

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

For JKVS & Co.
Chartered Accountants
Firm Reg. No. 318086E
Sajal Goyal
Partner
Membership No. 523903
Place : New Delhi
Dated : 06.07.2021

For and on behalf of the Board,
Surinder Kumar Kak
Managing Director
DIN No. 00044521
R.V. Kanoria
Chairman
DIN No. 00003792
Karishma
Company Secretary

KPL INTERNATIONAL LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2021

| Particulars | Note No. | For the year ended 31.03.2021 (Rs.) | For the year ended 31.03.2020 (Rs.) |
|---|----------|---|---|
| I. Revenue from Operations (Net) | 18 | 3,871,687,278 | 4,903,649,945 |
| II. Other Income | 19 | 26,434,087 | 77,551,596 |
| III. Total Revenue (I+II) | | 3,898,121,365 | 4,981,201,541 |
| IV. Expenses: | | | |
| Cost of Materials Consumed | 20 | 96,697,866 | 171,889,724 |
| Purchases of Stock-in-Trade | 21 | 3,107,940,717 | 3,982,850,290 |
| Change in Inventories of finished goods, work-in-progress and Stock-in-Trade | 22 | (17,630,844) | (80,730,938) |
| Employee Benefits Expense | 23 | 167,553,466 | 171,855,933 |
| Finance Cost | 24 | 43,842,824 | 47,693,329 |
| Depreciation & Amortization Expense | 25 | 100,573,592 | 115,094,057 |
| Other Expenses | 26 | 202,099,634 | 270,811,913 |
| Total Expenses | | 3,701,077,255 | 4,679,464,308 |
| V. Profit before Tax (III-IV) | | 197,044,110 | 301,737,233 |
| VI. Tax Expense | | | |
| (a) Current Tax | | 37,170,465 | 45,716,857 |
| (b) MAT Credit | | 38,309,566 | 18,175,600 |
| (c) Deferred Tax | | (5,784,207) | (4,048,806) |
| (d) For earlier years | | 1,333,279 | 254,751 |
| | | 71,029,103 | 60,098,402 |
| VII. Profit for the Year (V-VI) | | 126,015,007 | 241,638,831 |
| Earning per Equity Share of Rs 1000/- each | 28.09 | | |
| Basic & Diluted | | 8,312 | 15,939 |
| Significant Accounting policies | 1 | | |
| Contingent Liabilities and Commitments | 27 | | |
| Other Notes to Accounts | 28 | | |
| <i>The accompanying notes are an integral part of the Financial Statements</i> | | | |

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

For JKVS & Co.
Chartered Accountants
Firm Reg. No. 318086E
Sajal Goyal
Partner
Membership No. 523903
Place : New Delhi
Dated : 06.07.2021

For and on behalf of the Board,

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

Karishma
Company Secretary

KPL INTERNATIONAL LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

| | <i>For the year ended 31.03.2021 (Rs.)</i> | <i>For the year ended 31.03.2020 (Rs.)</i> |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax and exceptional items | 197,044,110 | 301,737,233 |
| Adjustments for: | | |
| Depreciation & Amortisation Expense | 100,573,592 | 115,094,057 |
| Bad Debt | 1,066,352 | 48,352,838 |
| (Profit) / Loss on Sale of Property, Plant and Equipments (Net) | (332,852) | (75,474) |
| Finance Cost | 39,334,044 | 40,950,598 |
| Provision for Doubtful Debt no longer required written back (Net) | - | (44,878,686) |
| Provision for Bad & Doubtful Debts (Net) | 3,031,031 | - |
| Liability no longer required written back | (99,277) | (5,565,200) |
| Income from Investments - Dividend | - | (655,169) |
| Income from Investments - Others | (1,415,368) | (41,345) |
| Income from Investments - Interest | (1,444,436) | (1,941,084) |
| Unrealised Foreign Exchange Fluctuation (Net) loss / (gain) | (2,758,603) | 4,817,522 |
| Previous Year Expenses | 378,902 | - |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 335,377,495 | 457,795,290 |
| (Increase) / Decrease in Trade Receivables | 241,326,823 | (127,699,627) |
| (Increase) / Decrease in Inventories | (11,411,484) | (89,776,073) |
| (Increase) / Decrease in Loan & Advances | 9,066,391 | (27,004,632) |
| Increase / (Decrease) in Trade Payables & Liabilities | 35,421,466 | 224,264,982 |
| CASH GENERATED FROM OPERATIONS | 609,780,691 | 437,579,940 |
| Direct Tax Paid | 40,009,021 | 38,275,674 |
| NET CASH GENERATED FROM OPERATIONS | 569,771,670 | 399,304,266 |
| Previous Year Expenses | 378,902 | - |
| NET CASH GENERATED FROM OPERATIONS | 569,392,768 | 399,304,266 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Property, Plant and Equipments | (18,623,556) | (10,535,778) |
| Purchase/Liquidation of Investments (Net) | (30,000,000) | 6,449,510 |
| Income from Investments-Dividend and Interest | 1,622,959 | 2,732,865 |
| Fixed Deposit (Net) (Increase)/Decrease | 13,803,281 | 21,316,622 |
| Income from Investments - Others | 1,415,368 | 41,345 |
| Net Proceeds from Sale of Property, Plant and Equipments | 491,594 | 187,000 |
| NET CASH FROM INVESTING ACTIVITIES | (31,290,354) | 20,191,564 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net Proceeds / (Repayment) of Short Term Borrowing from Bank | (374,606,040) | (27,941,732) |
| Interest Paid | (39,491,318) | (42,510,084) |
| Dividend Paid (including DDT & Unpaid Dividend) | - | (228,452,283) |
| Net Proceeds / (Repayment) of Long Term Borrowing due within 12 months | (7,500,000) | (7,500,000) |
| Net Proceeds / (Repayment) of Long Term Borrowings | (101,483,906) | (108,983,906) |
| NET CASH (USED)/FROM FINANCING ACTIVITIES | (523,081,264) | (415,388,005) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | 15,021,150 | 4,107,825 |
| Cash and cash equivalent as at 31.03.2020 | 21,836,192 | 17,728,367 |
| Cash and cash equivalent as at 31.03.2021 | 36,857,342 | 21,836,192 |
| Cash and Cash equivalents includes | | |
| Cash and Bank Balances (Refer Note 16) | 48,572,584 | 47,370,715 |
| Less: Other Bank Balances | 11,715,242 | 25,534,523 |
| Cash and Cash Equivalents | 36,857,342 | 21,836,192 |
| Notes : 1. The cash flow statement has been prepared under indirect method as per accounting standard (AS-3). 2. Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable. 3. The accompanying notes are on integral part of the Financial Statements. | | |

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

For JKVS & Co.
Chartered Accountants
Firm Reg. No. 318086E

Sajal Goyal
Partner
Membership No. 523903

Place : New Delhi
Dated : 06.07.2021

For and on behalf of the Board,

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

Karishma
Company Secretary

NOTES TO FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

A ACCOUNTING CONVENTION

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

B REVENUE RECOGNITION

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

C TANGIBLE ASSETS AND DEPRECIATION

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

D INTANGIBLE ASSETS AND AMORTISATION

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

E VALUATION OF INVENTORIES

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

F. INVESTMENTS

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

G BORROWING COST

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

H FOREIGN CURRENCY TRANSACTIONS

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

I RETIREMENT BENEFITS

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

J TAXATION

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

K IMPAIRMENT

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

L PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

M CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON CURRENT

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

N SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company.

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

NOTES TO THE FINANCIAL STATEMENTS

| | As at 31.03.2021 (Rs.) | As at 31.03.2020 (Rs.) | | |
|--|---------------------------|---------------------------|-------------------------|---------------------|
| 2. SHARE CAPITAL | | | | |
| (a) AUTHORISED | | | | |
| 99,700 (Previous year 99,700) Equity Shares of Rs. 1,000/- each | 99,700,000 | 99,700,000 | | |
| 3,000 (Previous year 3,000) 9.8% Redeemable Cumulative Preference Shares of Rs. 100/- each | 300,000 | 300,000 | | |
| | 100,000,000 | 100,000,000 | | |
| (b) ISSUED | | | | |
| 15,160 (Previous year 15,160) Equity Shares of Rs. 1000/- each fully paid up | 15,160,000 | 15,160,000 | | |
| (c) SUBSCRIBED AND PAID UP | | | | |
| 15,160 (Previous year 15,160) Equity Shares of Rs. 1000/- each fully paid up | 15,160,000 | 15,160,000 | | |
| | 15,160,000 | 15,160,000 | | |
| (d) Reconciliation of Equity Shares (Nos.) | | | | |
| Balance as at the beginning of the year | 15,160 | 15,160 | | |
| Balance as at the end of the year | 15,160 | 15,160 | | |
| (e) Terms/ rights attached to equity shares | | | | |
| The Company has one class of Equity Share having par value of Rs.1000 per share. Each holder of Equity Share is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding. | | | | |
| (f) 14143 (Previous Year 14143) Nos of equity shares of the company held by its Holding company Vardhan Finvest Limited | | | | |
| (g) Details of Shares held by shareholders holding more than 5 % of the aggregate shares in the Company: | | | | |
| | As at 31.03.2021 | | As at 31.03.2020 | |
| Name of shareholder | Nos. | % of Holding | Nos. | % of Holding |
| Vardhan Finvest Limited | 14,143 | 93.29 | 14143 | 93.29 |
| 3. RESERVES AND SURPLUS | | | | |
| (a) CAPITAL RESERVE | | | | |
| As per last financial statements | | | 26,500 | 26,500 |
| | | | 26,500 | 26,500 |
| (b) CAPITAL REDEMPTION RESERVE | | | | |
| As per last financial statements | | | 4,750 | 4,750 |
| | | | 4,750 | 4,750 |
| (c) GENERAL RESERVE | | | | |
| As per last financial statements | | | 312,009,913 | 312,009,913 |
| | | | 312,009,913 | 312,009,913 |
| (d) SURPLUS IN STATEMENT OF PROFIT AND LOSS | | | | |
| Balance as at the beginning of the year | | | 639,576,760 | 626,390,212 |
| Profit for the year | | | 126,015,007 | 241,638,831 |
| Less: | | | | |
| Dividend on Equity Shares for FY 2018-19 | | | - | 113,700,000 |
| Interim Dividend on Equity Shares for FY 2019-20 | | | - | 75,800,000 |
| Dividend Distribution Tax | | | - | 38,952,283 |
| Balance as at the end of the year | | | 765,591,767 | 639,576,760 |
| Total | | | 1,077,632,930 | 951,617,923 |

NOTES TO THE FINANCIAL STATEMENTS

| | As at 31.03.2021 (Rs.) | | As at 31.03.2020 (Rs.) | |
|---|---------------------------|---------------------|---------------------------|---------------------|
| 4. LONG-TERM BORROWINGS | | | | |
| | Non-current | | Current maturities | |
| | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 | As at 31.03.2020 |
| SECURED | | | | |
| Term Loans: From bank | | | | |
| HDFC Bank | 152,750,727 | 254,234,633 | 101,483,908 | 108,983,908 |
| Less :- Amount disclosed under the head "other current liabilities" (Note no. 10) | | | 101,483,908 | 108,983,908 |
| | 152,750,727 | 254,234,633 | - | - |
| <p>(i) The Term Loan from HDFC Bank amounting to Rs. Nil (Previous year Rs. 75,00,000), repayable Nil (Previous year 2) quarterly instalments. The repayment has started at the beginning from 31st December 2015 and ending on 30th September, 2020. The loan was secured by equitable mortgage of office premises situated at "Prestige Shantiniketan", Bangalore.</p> <p>(ii) The Term Loan from HDFC amounting to Rs. 21,07,53,949 (Previous year Rs. 28,73,91,749), repayable in 11 (Previous year 15) quarterly instalments. The repayment has started at the beginning from 24th July, 2017 and ending on 24th October, 2023. The loan is secured by exclusive charge on movable property, plant & equipment and current assets of wind turbines located at Vejalpar and Jamanvada, Gujarat and equitable mortgage of office space premises at 10th Floor, Statesman House, Barakhamba Road, New Delhi.</p> <p>(iii) The Term Loan from HDFC Bank amounting to Rs. 4,34,80,686 (Previous year Rs. 6,83,26,792) Repayable in 7 (Previous year 11) quarterly instalments. The repayment has started at the beginning from 8th June, 2018 and ending on 08th December, 2022. The loan is secured by exclusive charge on movable property, plant & equipment and current assets of wind turbines located at Matalpar, Gujarat and equitable mortgage of office space premises at 7th and 8th Floor, Block 4B, Corporate Park, DLF City, Phase-3, Gurgaon, Haryana"</p> | | | | |
| | As at 31.03.2021 | | As at 31.03.2020 | |
| 5. DEFERRED TAX LIABILITIES (NET) | | | | |
| Deferred Tax Liability | | | | |
| Difference between written down value of block of assets as per income tax laws and book written down value of the Property, Plant and Equipments | | 73,603,822 | | 77,032,377 |
| | (a) | 73,603,822 | | 77,032,377 |
| Deferred Tax Assets | | | | |
| Employee Benefits | | 3,300,357 | | 2,003,868 |
| Others | | 3,661,038 | | 2,601,875 |
| | (b) | 6,961,395 | | 4,605,743 |
| | (a-b) | 66,642,427 | | 72,426,634 |
| 6. OTHER LONG-TERM LIABILITIES | | | | |
| Security Deposits | | 6,652,072 | | 12,180,942 |
| | | 6,652,072 | | 12,180,942 |
| 7. PROVISIONS | Long-term | | Short-term | |
| | As at 31.03.2021 | As at 31.03.2020 | As at 31.03.2021 | As at 31.03.2020 |
| Provision for employee benefits: | | | | |
| For Accrued Leave | 7,239,487 | 7,221,548 | 3,240,751 | 2,776,859 |
| | 7,239,487 | 7,221,548 | 3,240,751 | 2,776,859 |

NOTES TO THE FINANCIAL STATEMENTS

| | As at 31.03.2021 (Rs.) | As at 31.03.2020 (Rs.) |
|---|---------------------------|---------------------------|
| 8. SHORT-TERM BORROWINGS | | |
| <u>Working Capital Loans from Banks:</u> | | |
| (a) Cash Credit Facilities Repayable on Demand (Secured) | - | 254,644,075 |
| (b) Working Capital Demand Loan from HDFC Bank (Secured) | - | 50,000,000 |
| (c) Bill Discounted (Unsecured) | - | 69,961,965 |
| | - | 374,606,040 |
| (The above working capital loans (a) & (b) secured by hypothecation over first pari passu charge on entire Current Assets and exclusive charge on entire movable Property, Plant and Equipments of the company apart from Fixed Assets of Wind Turbine units at Jamanvada, Vejalpar and Matalpar, Gujarat and equitable mortgage of Commercial space at 7th & 8th Floor, Block 4B, Corporate Park, DLF City Gurgaon, Haryana and 10th Floor, Statesmen House, New Delhi.) | | |
| 9 TRADE PAYABLES | | |
| (a) Micro, Small and Medium Enterprises (Refer note no 28.11) | 320,601 | 133,340 |
| (b) Other Entities | | |
| For Goods & Services | 648,738,864 | 631,398,246 |
| | 648,738,864 | 631,398,246 |
| 10. OTHER CURRENT LIABILITIES | | |
| (a) Current maturities of Long term borrowings (Refer note no. 4) | 101,483,908 | 108,983,908 |
| (b) Interest accrued but not due on borrowings | 708,735 | 866,009 |
| (c) Unpaid Dividend* | 415,000 | 431,000 |
| (d) Advance From Customers | 24,766,674 | 11,664,622 |
| (e) Employee related liabilities | 29,877,989 | 21,480,046 |
| (f) Statutory dues | 13,951,376 | 11,449,380 |
| (g) Security & Trade deposits | 12,896,413 | 8,705,448 |
| (h) Amount payable for Capital Goods | 3,274,488 | 1,466,349 |
| (i) Other liabilities | 14,126,797 | 17,940,954 |
| | 201,501,380 | 182,987,716 |
| *There is no amount due and outstanding to be credited to Investor Education and Protection Fund under sub section 5 of section 124 of the Act as at the year end. | | |

NOTES TO THE FINANCIAL STATEMENTS

11. Property, Plant and Equipments

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION AND AMORTISATION | | | NET BLOCK | | | |
|---|------------------------------|----------------------------------|--|-------------------------------|---|---|--|---|-----------------------------|-----------------------------|
| | Cost as on 01.04.2020 Rs. | Additions During the year Rs. | Sales/ adjustment During the year Rs. | Cost as on 31.03.2021 Rs. | Depreciation / Amortisation up to 01.04.2020 Rs. | Depreciation / Amortisation For the Year Rs. | Sales/ Adjustment During the year Rs. | Depreciation / Amortisation Up to 31.03.2021 Rs. | WDV as on 31.03.2021 Rs. | WDV as on 31.03.2020 Rs. |
| Tangible Assets | | | | | | | | | | |
| Land - Freehold | 1,500,000 | - | - | 1,500,000 | - | - | - | - | 1,500,000 | 1,500,000 |
| Leasehold Land | 16,010,000 | - | - | 16,010,000 | 3,073,815 | 868,905 | - | 3,942,720 | 12,067,280 | 12,936,185 |
| Tea Plantation | 20,839,646 | - | - | 20,839,646 | - | - | - | - | 20,839,646 | 20,839,646 |
| Buildings | 435,577,047 | - | - | 435,577,047 | 167,671,828 | 13,171,053 | - | 180,842,881 | 254,734,166 | 267,905,219 |
| Roads | 861,581 | - | - | 861,581 | 818,502 | - | - | 818,502 | 43,079 | 43,079 |
| Plant & Machinery | 1,056,063,476 | 1,651,605 | 6,070 | 1,057,709,011 | 426,952,135 | 81,060,518 | 6,070 | 508,006,583 | 549,702,428 | 629,111,342 |
| Furniture and Fittings | 19,804,487 | - | - | 19,804,487 | 16,352,900 | 791,801 | - | 17,144,701 | 2,659,786 | 3,451,587 |
| Office Equipment | 17,431,412 | 42,836 | - | 17,474,248 | 13,704,177 | 1,003,204 | - | 14,707,381 | 2,766,867 | 3,727,235 |
| Motor Vehicles | 24,614,933 | 1,547,651 | 1,936,082 | 24,226,502 | 16,612,236 | 2,567,678 | 1,777,340 | 17,402,574 | 6,823,928 | 8,002,697 |
| Computers and data processing units | 17,145,978 | 498,814 | - | 17,644,792 | 15,211,524 | 940,116 | - | 16,151,640 | 1,493,152 | 1,934,454 |
| Electrical Installations & Equipment | 2,650,814 | - | - | 2,650,814 | 2,518,279 | - | - | 2,518,279 | 132,535 | 132,535 |
| | 1,612,499,375 | 3,740,906 | 1,942,152 | 1,614,298,128 | 662,915,396 | 100,403,275 | 1,783,410 | 761,535,261 | 852,762,867 | 949,583,979 |
| Intangible Assets | | | | | | | | | | |
| Computer Softwares | 8,484,983 | - | - | 8,484,983 | 7,715,454 | 170,317 | - | 7,885,771 | 599,212 | 769,528 |
| | 8,484,983 | - | - | 8,484,983 | 7,715,454 | 170,317 | - | 7,885,771 | 599,212 | 769,528 |
| Total | 1,620,984,358 | 3,740,906 | 1,942,152 | 1,622,783,111 | 670,630,850 | 100,573,592 | 1,783,410 | 769,421,032 | 853,362,079 | 950,353,507 |
| Capital Work in Progress | - | - | - | - | - | - | - | - | 18,564,639 | 914,900 |
| | - | - | - | - | - | - | - | - | 18,564,639 | 914,900 |
| Grand Total | 1,620,984,358 | 3,740,906 | 1,942,152 | 1,622,783,111 | 670,630,850 | 100,573,592 | 1,783,410 | 769,421,032 | 871,926,718 | 951,268,407 |
| Figures for the Corresponding Previous year | 1,616,667,168 | 6,242,554 | 1,925,365 | 1,620,984,357 | 557,350,633 | 115,094,057 | 1,813,840 | 670,630,850 | 951,268,407 | 1,059,316,534 |

*Above Property, Plant and Equipments includes Let out Property having Cost of Rs. 9,88,20,873/- and WDV Rs. 5,36,10,848/-

NOTES TO THE FINANCIAL STATEMENTS

| | | As at 31.03.2021 (Rs.) | | As at 31.03.2020 (Rs.) | | | |
|---|------------------------|--|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| 12. INVESTMENTS | | | | | | | |
| CURRENT | Number of Units | | | | | | |
| | As at 01.04.2020 | Purchase / addition during the year | Sold during the year | As at 31.03.2021 | Amount | Amount | |
| QUOTED | | | | | | | |
| INVESTMENT IN MUTUAL FUNDS | | | | | | | |
| Axis Bank Liquid Fund | - | 382,902.481 | 369,752.529 | 13,149.952 | 30,000,000 | - | |
| UNQUOTED | | | | | | | |
| ASK Pravi Private Equity Opportunities Fund | 685.50 | - | - | 685.50 | 68,550,490 | 68,550,490 | |
| (Face value of Rs. 1,00,000/-per unit) | (750.00) | - | (64.50) | (685.50) | | | |
| | | | | | <u>98,550,490</u> | <u>68,550,490</u> | |
| | | | | As at 31.03.2021 | As at 31.03.2020 | | |
| | | | | Book Value | Market Value | Book Value | |
| | | | | | | Market Value | |
| Aggregate amount of:- | | | | | | | |
| Quoted Investments | | | | 30,000,000 | 30,044,887 | - | |
| Unquoted Investments | | | | 68,550,490 | - | 68,550,490 | |
| | | | | <u>98,550,490</u> | <u>68,550,490</u> | - | |
| Note :- Figures in bracket pertain to previous year | | | | | | | |
| | | | | Long-term | | Short-term | |
| | | | | As at 31.03.2021 (Rs.) | As at 31.03.2020 (Rs.) | As at 31.03.2021 (Rs.) | As at 31.03.2020 (Rs.) |
| 13. LOANS AND ADVANCES | | | | | | | |
| Advance recoverable in cash or in kind | | | | | | | |
| (a) Security Deposits | | 10,601,025 | | 10,997,697 | 423,444 | 358,460 | |
| (Unsecured, considered good) | | | | | | | |
| (b) Other Loans and Advances : | | | | | | - | - |
| (Unsecured, considered good) | | | | | | | |
| Prepaid Expenses | | 2,254 | | 12,777 | 5,781,742 | 10,803,925 | |
| Balance with Goods & Service tax & other Government Authorities | | - | | - | 31,042,134 | 30,898,041 | |
| Income Tax Payments and Tax deducted at Source less Provision | | - | | - | 2,154,641 | 673,518 | |
| MAT Credit Receivable | | 89,173,637 | | 127,459,049 | - | - | |
| Advance to Employees | | 55,570 | | 125,246 | 336,715 | 1,035,120 | |
| Advance to Suppliers | | - | | - | 24,914,021 | 21,242,866 | |
| Capital Advance | | 2,844,174 | | 3,803,124 | - | - | |
| Other Advance | | - | | - | 1,111,001 | 1,660,884 | |
| | | <u>102,676,660</u> | | <u>142,397,893</u> | <u>65,763,698</u> | <u>66,672,814</u> | |

NOTES TO THE FINANCIAL STATEMENTS

| | For the year ended 31.03.2021 (Rs.) | For the year ended 31.03.2020 (Rs.) |
|--|--|--|
| 18. REVENUE FROM OPERATIONS | | |
| (a) Sale of Manufactured Goods | | |
| Tea (Including Export Sales of Rs. 39,55,288 Previous Year Rs. 1,26,21,668) | 30,564,377 | 37,409,944 |
| Refrigerant Gas & SF6 Gas | 127,988,532 | 189,107,477 |
| Wind Power | 119,045,828 | 147,674,530 |
| Traded Goods (Chemicals, Polymers & Others) (Including Export Sales / SEZ of Rs. 30,29,32,142, Previous Year - Rs. 21,64,22,073) | 3,455,508,122 | 4,327,487,248 |
| | 3,733,106,859 | 4,701,679,199 |
| (b) Commission Income (Refer Note no- 28.01 of Other Notes to Account) | 137,339,506 | 200,189,031 |
| (c) Other Operating Revenue | | |
| Export Benefits | 1,240,913 | 1,781,715 |
| Revenue from operations | 3,871,687,278 | 4,903,649,945 |
| 19. OTHER INCOME | | |
| Interest Income | | |
| On Fixed Deposit with Banks | 1,444,436 | 1,941,084 |
| Dividend Income | | |
| On Current Investments | - | 655,169 |
| Income from Investments | 1,415,368 | 41,345 |
| Exchange Rate Fluctuation (Net) | 6,347,739 | - |
| Rent Income | 15,686,570 | 23,435,662 |
| Liabilities No longer required written back | 99,277 | 5,565,200 |
| Provision for Doubtful Debt no longer required written back (Net) | - | 44,878,686 |
| Subsidy from Tea Board | 95,262 | 131,676 |
| Profit on Sale of Property, Plant and Equipment (Net) | 332,852 | 75,474 |
| Miscellaneous receipts | 1,012,583 | 827,300 |
| | 26,434,087 | 77,551,596 |
| 20. COST OF MATERIALS CONSUMED | | |
| Refrigerant Gas & SF6 Gas | 96,697,866 | 171,889,724 |
| | 96,697,866 | 171,889,724 |
| 21. PURCHASES OF STOCK IN TRADE | | |
| Traded Goods (Chemicals, Polymers & Others) | 3,107,940,717 | 3,982,850,290 |
| | 3,107,940,717 | 3,982,850,290 |
| 22. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE | | |
| Finished Goods | | |
| Opening Stock | 32,583,427 | 13,627,965 |
| Closing Stock | 21,836,877 | 32,583,427 |
| Decrease /(Increase) | 10,746,550 | (18,955,462) |
| Stock in Trade | | |
| Opening Stock | 345,845,883 | 284,070,407 |
| Closing Stock | 374,223,277 | 345,845,883 |
| Decrease /(Increase) | (28,377,394) | (61,775,476) |
| Change in inventory | (17,630,844) | (80,730,938) |

NOTES TO THE FINANCIAL STATEMENTS

| | For the year ended 31.03.2021 (Rs.) | For the year ended 31.03.2020 (Rs.) |
|--|--|--|
| 23. EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, Wages, Bonus & Gratuity etc. | 147,352,644 | 147,962,902 |
| Managerial Remuneration | 10,533,805 | 13,535,425 |
| Contribution to Provident Fund & Others | 8,839,286 | 9,510,888 |
| Staff Welfare | 827,731 | 846,718 |
| | 167,553,466 | 171,855,933 |
| 24. FINANCE COST | | |
| Interest Paid to Bank | 21,859,394 | 26,912,764 |
| Interest on Term Loan | 17,474,650 | 14,037,834 |
| Other Borrowing cost (including Bank Charges) | 4,508,780 | 6,742,731 |
| | 43,842,824 | 47,693,329 |
| 25. DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation | 99,704,687 | 114,399,996 |
| Amortisation | 868,905 | 694,061 |
| | 100,573,592 | 115,094,057 |
| 26. OTHER EXPENSES | | |
| Consumption of Stores & Spare parts etc. | 1,606,019 | 1,508,468 |
| Power & Fuel | 7,554,290 | 6,513,200 |
| Rent | 27,147,975 | 22,136,141 |
| Repairs to Plant & Machinery | 18,595,404 | 18,339,104 |
| Repairs to Buildings | 7,299,442 | 8,088,232 |
| Repairs to Others Assets | 6,467,817 | 10,101,485 |
| Insurance | 5,753,925 | 3,867,055 |
| Rates & Taxes | 4,837,209 | 5,476,982 |
| Auditors' Remuneration | | |
| Audit Fees | 630,000 | 630,000 |
| Tax Audit Fees | 50,000 | 40,000 |
| Certification Fees | 137,500 | 40,000 |
| Reimbursement of Expenses | 22,752 | - |
| Premium on currency hedging Contracts | 13,552,444 | 16,295,039 |
| Exchange Rate Fluctuation (Net) | - | 5,970,574 |
| Selling & Distributing Expenses | 64,123,391 | 69,613,386 |
| Directors Sitting Fees | 400,000 | 390,000 |
| Travelling Expenses | 2,143,530 | 11,994,509 |
| Bad Debt | 1,066,352 | 48,352,838 |
| Provision for Bad & Doubtful Debts (Net) | 3,031,031 | - |
| Donation | - | 50,000 |
| Corporate Social Responsibility Expenses (Refer Note No. 28.12) | 4,459,337 | 3,372,590 |
| Previous Year Expenses | 378,902 | - |
| Miscellaneous Expenses | 32,842,314 | 38,032,310 |
| | 202,099,634 | 270,811,913 |

NOTES TO THE FINANCIAL STATEMENTS

| | As at 31.03.2021 (Rs.) | As at 31.03.2020 (Rs.) | | |
|---|--|--|--|--|
| 27. CONTINGENT LIABILITIES & COMMITMENTS : | | | | |
| 27.01 CONTINGENT LIABILITIES | | | | |
| (a) Bank Guarantees given to various Govt. Authorities & others | 39,659,468 | 44,846,731 | | |
| (b) Letter of Credit | 145,926,248 | 219,491,967 | | |
| (c) (i) Income Tax demand under appeal (amount paid under protest Rs. 53,49,473/-, previous year Rs. 55,44,420/-) | 16,004,000 | 33,657,442 | | |
| (ii) Sales Tax demand including Penalty Rs. 2,40,981/- (amount paid under protest Rs. 10,19,951/-, previous year Rs. 6,32,089/-) | 9,526,325 | 1,971,777 | | |
| 27.02 OTHER LITIGATIONS | | | | |
| The Company has filed law suit against certain customers for recovery of Rs. 98,00,218/- (Previous Year Rs. 89,90,762/-) appearing in Trade receivables (Refer Note No. 15) | | | | |
| 27.03 COMMITMENTS | | | | |
| Estimated amount of Contract remaining to be executed on Capital Account and not provided for (Net of Advance) Rs.58,98,082/- (Previous Year Rs. 1,53,84,350/-) | | | | |
| 28 OTHER NOTES TO ACCOUNTS | | | | |
| 28.01 Commission Income includes shipments made earlier years but advice received in Current Year Rs. 48,30,251/- (Previous year Rs.1,22,04,769/-). | | | | |
| 28.02 Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits: - In respect of Leave Encashment & Gratuity, a defined benefit scheme (based on Actuarial Valuation)- (Amount in Rs.) | | | | |
| | 2020-21 | 2019-20 | | |
| PARTICULARS | GRATUITY (FUNDED) | LEAVE ENCASH (UNFUNDED) | GRATUITY (FUNDED) | GRATUITY (UNFUNDED) |
| A RECONCILIATION OF OPENING AND CLOSING BALANCES OF DEFINED BENEFIT OBLIGATION | | | | |
| DEFINED BENEFIT OBLIGATION AS ON 01-04-2020 | 38,665,302 | 9,998,407 | 32,565,101 | 7,986,735 |
| EMPLOYER SERVICE COST | 3,498,628 | 1,598,972 | 3,298,360 | 1,744,796 |
| INTEREST COST | 2,620,112 | 675,913 | 2,503,693 | 611,812 |
| ACTUARIAL (GAINS) / LOSSES | 8,986 | (932,486) | 1,184,379 | (31,159) |
| BENEFITS PAID | (977,157) | (860,568) | (886,231) | (313,777) |
| PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AS ON 31-03-2021 | 43,815,871 | 10,480,238 | 38,665,302 | 9,998,407 |
| B RECONCILIATION OF OPENING AND CLOSING BALANCES OF FAIR VALUE OF PLAN ASSETS | | | | |
| FAIR VALUE OF ASSETS AT THE BEGINNING OF THE YEAR | 42,929,196 | - | 37,773,665 | - |
| EXPECTED RETURN ON PLANNED ASSETS | 2,281,104 | - | 3,428,863 | - |
| CONTRIBUTION | 670,638 | - | 2,735,236 | - |
| BENEFITS PAID | (977,157) | - | (886,231) | - |
| ACTUARIAL (GAINS) / LOSSES | (52,375) | - | (122,337) | - |
| FAIR VALUE OF PLAN ASSETS AT YEAR END | 44,851,406 | - | 42,929,196 | - |
| C RECONCILIATION OF FAIR VALUE OF ASSETS & OBLIGATION | | | | |
| FAIR VALUE OF PLAN ASSETS AS AT 31.03.2021 | 44,851,406 | - | 42,929,196 | - |
| FAIR VALUE OF OBLIGATION AS AT 31.03.2021 | 43,815,871 | 10,480,238 | 38,665,302 | 9,998,407 |
| D EXPENSES RECOGNISED DURING THE YEAR | | | | |
| CURRENT SERVICE COST | 3,498,628 | 1,598,972 | 3,298,360 | 1,744,796 |
| INTEREST COST | 2,620,112 | 675,913 | 2,503,693 | 611,812 |
| EXPECTED RETURN ON PLANNED ASSETS | (2,908,182) | - | (2,902,839) | - |
| ACTUARIAL (GAINS) / LOSSES | 688,439 | (932,486) | 780,692 | (31,159) |
| TOTAL | 3,898,997 | 1,342,399 | 3,679,906 | 2,325,449 |
| E ACTUARIAL ASSUMPTIONS | | | | |
| MORTALITY TABLE (L.I.C. 1994-96) | | | | |
| Other than Avongrove Tea Estate | | | | |
| DISCOUNT RATE (PER ANNUM) | 6.76% | 6.76% | 6.76% | 6.76% |
| RATE OF ESCALATION IN SALARY | 6.00% | 6.00% | 6.00% | 6.00% |
| For Avongrove Tea Estate | | | | |
| DISCOUNT RATE (PER ANNUM) | 6.75% | 6.75% | 6.80% | 6.80% |
| RATE OF ESCALATION IN SALARY | 10% for the first three years and 7.50% thereafter | 10% for the first three years and 7.50% thereafter | 10% for the first three years and 7.50% thereafter | 10% for the first three years and 7.50% thereafter |

NOTES TO THE FINANCIAL STATEMENTS

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

Transactions with Related Parties during the year :

(Amount in Rs.)

| Nature of Transaction | Holding / Subsidiary | | Enterprises over which promoters directly or indirectly have significant influence | | Key Management Personnel* and Relative of Directors | |
|---|----------------------|-------------|--|------------|---|------------|
| | 2020-21 | 2019-20 | 2020-21 | 2019-20 | 2020-21 | 2019-20 |
| 1. Managerial Remuneration | | | | | | |
| Mr. Surinder Kumar Kak | - | - | - | - | 10,533,805 | 13,535,425 |
| 2. Dividend paid | | | | | | |
| Vardhan Finvest Limited | - | 176,787,500 | - | - | - | - |
| 3. Interest paid | | | | | | |
| Kirtivardhan Finvest Services Limited | - | - | - | 997,260 | - | - |
| 4. Loan Received | | | | | | |
| Kirtivardhan Finvest Services Limited | - | - | - | 50,000,000 | - | - |
| 5. Loan repaid | | | | | | |
| Kirtivardhan Finvest Services Limited | - | - | - | 50,000,000 | - | - |
| 6. Commission Income | | | | | | |
| Kanoria Chemicals & Industries Limited | - | - | 1,086,549 | 27,798,539 | - | - |
| 7. Rent Received | | | | | | |
| Suprawin Technologies Limited | - | - | 1,185,360 | 1,169,427 | - | - |
| Intrust Global eServices Private Limited | - | - | 1,024,000 | 960,000 | - | - |
| 8. Rent Paid | | | | | | |
| Kanoria Chemicals & Industries Limited | - | - | 1,020,000 | 1,020,000 | - | - |
| 9. (a) Sale of Goods | | | | | | |
| Kanoria Africa Textiles PLC, Ethiopia | - | - | 6,031,850 | 4,231,050 | - | - |
| Apag Elektronik S.R.O. | - | - | 908,247 | 1,731,060 | - | - |
| Apag Elektronik CORP | - | - | 667,730 | 9,918,625 | - | - |
| (b) Reimbursements | | | | | | |
| Suprawin Technologies Limited | - | - | 380,330 | 456,207 | - | - |
| Intrust Global eServices Private Limited | - | - | 336,446 | 403,567 | - | - |
| 10. Purchase (Other) | | | | | | |
| Ludlow Jute & Specialities Limited | - | - | 47,040 | 19,516 | - | - |
| 11. Purchase of Licence | | | | | | |
| Intrust Global eServices Private Limited | - | - | 1,535,988 | 1,448,247 | - | - |
| 12. CSR Paid | | | | | | |
| Sambhava Foundation | - | - | 3,991,337 | 3,372,590 | - | - |
| 13. Salary Paid | | | | | | |
| Mrs. Madhuvanti Kanoria | - | - | - | - | 7,392,000 | 7,392,000 |
| Balance outstanding as on Balance Sheet date | | | | | | |
| Receivable - Kanoria Chemicals & Industries Limited | - | - | 670,162 | 13,153,683 | - | - |
| - APAG Elektronik Corp. | - | - | 169,872 | 7,309,680 | - | - |
| - Suprawin Technologies Limited | - | - | 36,503 | 33,820 | - | - |
| - Intrust Global Eservices Pvt. Ltd. | - | - | 32,291 | 71,056 | - | - |
| Managerial Remuneration payable | - | - | - | - | 1,656,609 | 4,637,829 |

* Excluding Actuarial Valuation of Gratuity & Leave Encashment

All the above transactions are net of Indirect Taxation wherever required

NOTES TO THE FINANCIAL STATEMENTS

| | For the year ended 31.03.2021 (Rs.) | For the year ended 31.03.2020 (Rs.) | | |
|---|--|--|--------------------|-------------|
| 28.04 Value of Import on CIF basis | | | | |
| Raw Materials | 80,334,966 | 166,510,197 | | |
| Trading Goods | 2,695,864,719 | 3,630,781,138 | | |
| | 2,776,199,685 | 3,797,291,335 | | |
| | For the year ended 31.03.2021 (Rs.) | For the year ended 31.03.2020 (Rs.) | | |
| 28.05 Value of Imported and Indigenous Raw Material Consumed and Percentage Thereof. | | | | |
| | Value | % | Value | % |
| Imported | 96,697,866 | 100% | 171,889,724 | 100% |
| | 96,697,866 | 100% | 171,889,724 | 100% |
| 28.06 Value of Consumables and Stores & Spare parts (Excluding charged to other heads) | | | | |
| | Value | % | Value | % |
| Indigenous | 1,606,019 | 100% | 1,508,468 | 100% |
| | 1,606,019 | 100% | 1,508,468 | 100% |
| | For the year ended 31.03.2021 (Rs.) | For the year ended 31.03.2020 (Rs.) | | |
| 28.07 Expenditures in Foreign Exchange | | | | |
| Foreign Travelling | 13,639 | | 686,149 | |
| Third Country Purchases | 233,716,177 | | 163,530,754 | |
| Finance cost | 10,788,002 | | 12,781,137 | |
| Professional Services | 719,921 | | 564,320 | |
| Others | 12,720,740 | | 22,178,108 | |
| | 257,958,479 | | 199,740,468 | |
| 28.08 Earnings in Foreign Exchange | | | | |
| Commission Income | 132,626,399 | | 169,999,770 | |
| FOB Value of Export | 33,827,552 | | 25,117,860 | |
| Third Country Sales | 245,801,078 | | 176,427,287 | |
| | 412,255,029 | | 371,544,917 | |
| 28.09 Earning Per Share | | | | |
| Profit for the year (Rs.) | 126,015,007 | | 241,638,831 | |
| Weighted average number of Equity Shares | 15,160 | | 15,160 | |
| Basic & Diluted earning per share of Rs. 1000/- each | 8,312 | | 15,939 | |

NOTES TO THE FINANCIAL STATEMENTS

| 28.10 SEGMENT REPORTING | | | | | | |
|---|--------------|-------------------------|----------------------|--------------|-------------------------|----------------------|
| A) Primary Segment Information (by Business Segment) | | | | | | |
| (Amount in Rs.) | | | | | | |
| | 2020-2021 | | | 2019-2020 | | |
| Business Segment | Wind Turbine | Other than Wind Turbine | Total | Wind Turbine | Other than Wind Turbine | Total |
| Segment Revenue | | | | | | |
| Revenue from operations | 119,045,828 | 3,752,641,450 | 3,871,687,278 | 147,674,530 | 4,755,975,415 | 4,903,649,945 |
| Segment Result | 14,393,048 | 230,544,503 | 244,937,551 | 32,458,137 | 309,923,989 | 342,382,126 |
| less : (i) Finance Cost | 17,321,396 | 26,521,428 | 43,842,824 | 11,301,160 | 36,392,169 | 47,693,329 |
| (ii) Exceptional items | | | - | | | - |
| (iii) Other Un-allocable expenditure | | | - | | | - |
| net off Un-allocable income | | - | (4,050,617) | | - | 7,048,436 |
| Profit before Tax | (2,928,348) | 204,023,075 | 197,044,110 | 21,156,977 | 273,531,820 | 301,737,233 |
| Tax Expense : | | | | | | |
| For earlier years | | | 1,333,279 | | | 254,751 |
| Current Tax | | | 37,170,465 | | | 45,716,857 |
| MAT credit | | | 38,309,566 | | | 18,175,600 |
| Deferred Tax | | | (5,784,207) | | | (4,048,806) |
| Net Profit : | | | 126,015,007 | | | 241,638,831 |
| Other Information | | | | | | |
| Segment Assets | 556,536,114 | 1,429,433,145 | 1,985,969,259 | 636,859,370 | 1,666,991,719 | 2,303,851,089 |
| Un-allocable Corporate Assets | - | - | 193,909,980 | - | - | 200,892,792 |
| Total Assets : | | | 2,179,879,239 | | | 2,504,743,881 |
| Segment Liabilities | 274,949,959 | 725,530,438 | 1,000,480,397 | 372,914,754 | 1,063,337,988 | 1,436,252,742 |
| Un-allocable Corporate Liabilities | - | - | 86,605,912 | - | - | 101,713,216 |
| Total Liabilities : | | | 1,087,086,309 | | | 1,537,965,958 |
| Segment Capital Employed | 281,586,155 | 703,902,707 | 985,488,862 | 263,944,616 | 603,653,731 | 867,598,347 |
| Un-allocable Capital Employed | - | - | 107,304,068 | - | - | 99,179,576 |
| Total Capital Employed : | | | 1,092,792,930 | | | 966,777,923 |
| Capital Expenditure | - | 3,740,906 | 3,740,906 | - | 6,242,554 | 6,242,554 |
| Un-allocable Capital Expenditure | - | - | - | - | - | - |
| Total Capital Expenditure : | | | 3,740,906 | | | 6,242,554 |
| Depreciation & Amortization | 77,648,485 | 22,925,107 | 100,573,592 | 88,678,853 | 26,415,204 | 115,094,057 |
| Un-allocable Depreciation | - | - | - | - | - | - |
| Total Depreciation & Amortization : | | | 100,573,592 | | | 115,094,057 |
| Other Non-cash expenses (included in Exceptional items) | | | | | | |
| (B) Secondary Segment Information | | | | | | |
| Not applicable, as revenue from Export Sale does not constitute 10% or more of total revenue of the Company. | | | | | | |
| (C) Note on Segment information : | | | | | | |
| 1. Segments have been identified in accordance with the Accounting Standard on Segment Reporting (AS-17). Business Segments have been considered as primary segments. | | | | | | |
| 2. Segment Accounting Policies | | | | | | |
| The accounting polices adopted for segment reporting are in line with the accounting polices of the company. | | | | | | |
| 3. Type of products included in each reported business segment: | | | | | | |
| Wind Turbine Business includes Power generation from wind energy. And others includes Tea, Refrigerant Gas, Indenting & Traded Goods. | | | | | | |

NOTES TO THE FINANCIAL STATEMENTS

| | 31st March, 2021 (Rs.) | 31st March, 2020 (Rs.) | | |
|--|--|--|-------------------------------------|---|
| <p>28.11 The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:</p> | | | | |
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 320,601 | 133,340 | | |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - | | |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - | | |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - | | |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - | | |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - | | |
| Further interest remaining due and payable for earlier years | - | - | | |
| <p><i>The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.</i></p> | | | | |
| <p>28.12 CSR Expenditure</p> | | | | |
| <p>The Company undertook Corporate Social responsibility('CSR') programme and activities through a Trust registered under the Income Tax Act,1961.</p> | | | | |
| <p>Details of Corporate Social Responsibility as per Section 135(5) of Act and Rules made thereunder:</p> | | | | |
| | For the year ended 31.03.2021 (Rs.) | For the year ended 31.03.2020 (Rs.) | | |
| (a) Gross Amount required to be spent by the company to the trust during the year | 4,248,596 | 3,372,590 | | |
| (b) Amount contributed by the company to the trust | 3,991,337 | 3,372,590 | | |
| (c) Amount required to be spent under identified projects to be deposited with separate bank account | 468,000 | - | | |
| Amount Spent on account of the Company by the trust : | | | | |
| i) Construction/acquisition of any assets | - | - | | |
| ii) On woman empowerment and promotion of vocational skills as well as promotion of education other than above (Including Rs. 4,95,033/- unspent in F.Y. 2019-20 previous year Rs. 4,82,278/-) | 4,486,370 | 3,359,835 | | |
| (d) Surplus amount spent | 210,741 | - | | |
| (e) Yet to be Spent by the trust | - | 495,033 | | |
| <p>In case of Unspent / (excess) amount</p> | | | | |
| Opening Balance Unspent / (Excess) | Amount deposited in Specified Fund | Amount required to be spent during the year | Amount spent during the year | Closing Balance Unspent / (Excess) |
| 495,033 | - | 4,248,596 | 4,954,370 | (210,741) |

NOTES TO THE FINANCIAL STATEMENTS

28.13 Scheme of Amalgamation

The company has filed an application with National Company Law Tribunal (NCLT) on 09.02.2021 for merger of Vardhan Finvest Limited being its holding company with the company to be effective from April 1, 2021 under section 230 and 232 of The Companies Act 2013. The application is pending for approval of National Company Law Tribunal (NCLT)

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

| Date of Swap Agreement | Principal outstanding (Rs) | | |
|------------------------|----------------------------|------------------|------------------|
| | As on date of Swap | As on 31.03.2020 | As on 31.03.2021 |
| 25th July 2018 | 402,348,447 | 287,391,749 | 210,753,949 |
| 4th January 2019 | 99,384,425 | 68,326,792 | 43,480,686 |

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

28.15 The operations of the company was affected due to various restrictions including lockdown imposed by the Government and economic uncertainty due to COVID-19 pandemic. However, the Company expects to recover the carrying amount of all its assets including inventories and receivables in the ordinary course of business based on current economic conditions. The Company is continuously monitoring any material changes in future economic conditions.

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

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

As per our report annexed
For JKVS & Co.
Chartered Accountants
Firm Reg. No. 318086E
Sajal Goyal
Partner
Membership No. 523903
Place: New Delhi
Dated : 06.07.2021

For and on behalf of the Board,

Surinder Kumar Kak
Managing Director
DIN No. 00044521

R.V. Kanoria
Chairman
DIN No. 00003792

Karishma
Company Secretary