



KPL INTERNATIONAL LIMITED

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# **Annual Report**

## **2013-14**

***Chemistry of Partnerships...***

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**KPL INTERNATIONAL LIMITED**

**BOARD OF DIRECTORS**

R. V. KANORIA, Chairman  
S. V. KANORIA  
A. V. KANORIA  
T. D. BAHETY  
J. P. SONTHALIA  
SURINDER KUMAR KAK, Managing Director

**COMPANY SECRETARY**

UMMANG MUTREJA

**AUDITORS**

Singhi & Co.  
Chartered Accountants  
New Delhi

**BANKERS**

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

**REGISTERED OFFICE**

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

**CORPORATE OFFICE**

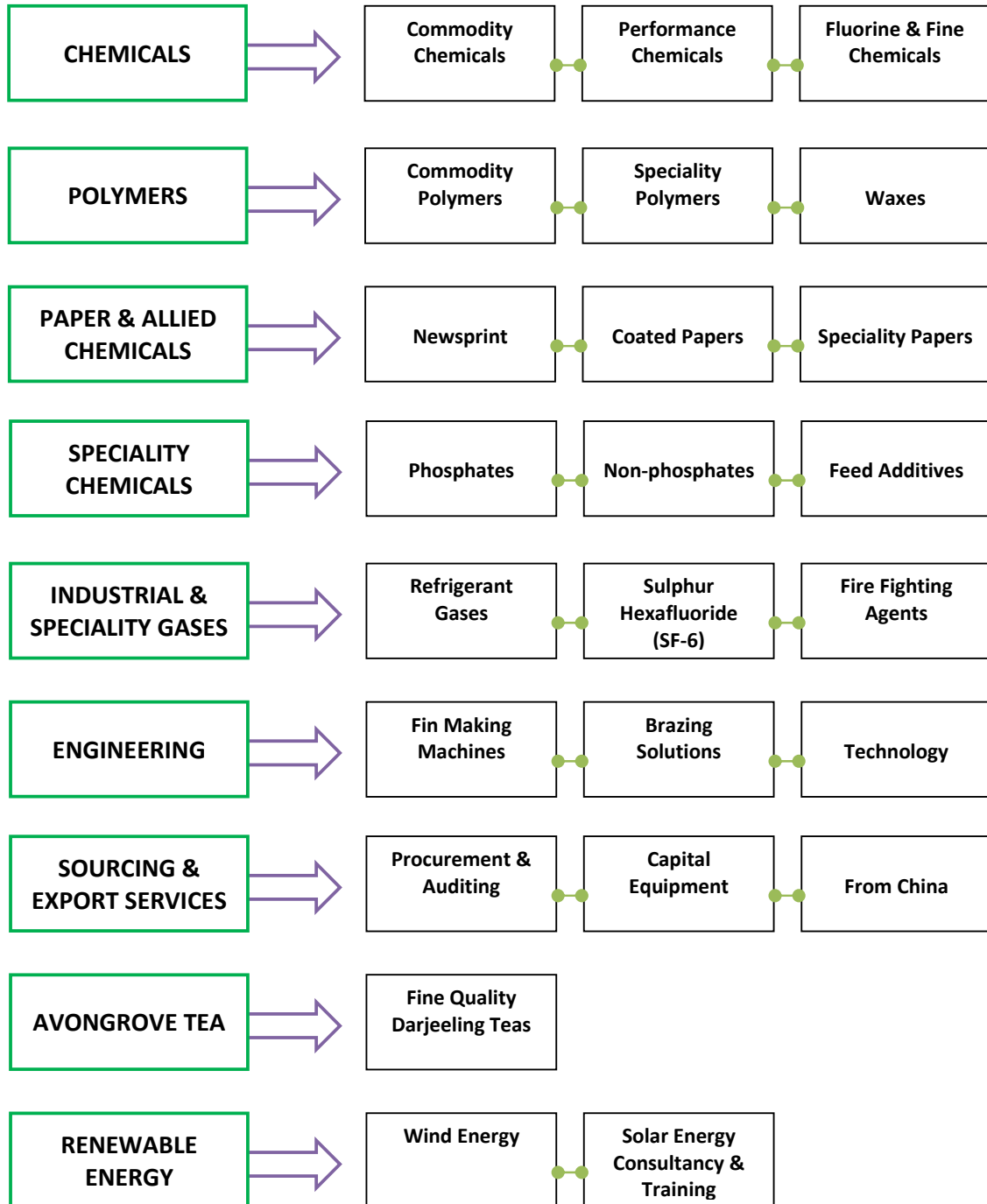
Statesman House  
10<sup>th</sup> Floor, A-Wing  
148, Barakhamba Road  
New Delhi - 110 001  
Phone: +91 11 43606200  
Fax: +91 11 23355824  
Email: [info@kplintl.com](mailto:info@kplintl.com)  
Website: [www.kplintl.com](http://www.kplintl.com)

**REGISTRAR & SHARE TRANSFER AGENT**

RCMC Share Registry Private Limited  
B-25/1, 1<sup>st</sup> Floor  
Okhla Industrial Area, Phase – II  
New Delhi – 110 020  
Phone: +91 11 26387320  
Fax: +91 120 2444346  
Email: [shares@rcmcdelhi.com](mailto:shares@rcmcdelhi.com)

# KPL INTERNATIONAL LIMITED

## Business Divisions



**F**or over two decades, **KPL International Limited (KPL)** is engaged in international business, specializing in sourcing, marketing, supply chain facilitation and distribution of chemicals, polymers, paper, equipment & allied products.

The business ethos at KPL is based on developing sustainable relationships. With its ISO 9001 quality certification and its process specialization in marketing, distribution and sourcing, KPL represents thirty five global giants and over three thousand customers that include many of the finest Indian business houses. KPL markets quality products in India, sourced from globally acclaimed manufacturers.

KPL continues to grow in a variety of market segments responding to the fast-changing needs of its customers with committed service. It operates on a SAP3 technology platform that helps the company in managing information as per global standards.

KPL is headquartered in New Delhi with regional offices at Mumbai, Chennai and Kolkata in India; and international offices in Shanghai (China), Dhaka (Bangladesh) and Dubai (UAE). It has warehousing facilities in major Indian cities, namely New Delhi, Sonapat, Palwal, Mumbai, Chennai, Cochin, Ankleshwar and Kolkata.

The business divisions of KPL are shown in the opposite page. The Company's other business includes an organic tea estate 'Avongrove' located near Darjeeling in the state of West Bengal. Apart from being certified as an organic tea estate under US, Japanese, Indian & the EU standards, this business segment also received the Certificate of Fairtrade from Flo-CertGmbH, Germany for conformation to labour and trade standards.

KPL has a focus on sustainable development and renewable energy. The Company has wind turbines in Sangli in the state of Maharashtra with a generation capacity of 1.25 MW of power. With the intent of increasing its footprint in the renewable energy segment, the Company has acquired the intangible assets of intellectual property and rights of a company engaged in Solar Energy related consultancy and training.

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## DIRECTORS' REPORT

### TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the 40<sup>th</sup> Annual Report together with Audited Annual Accounts of the Company for the year ended on 31<sup>st</sup> March, 2014.

### FINANCIAL HIGHLIGHTS

During the year under review, the profit after tax was Rs. 1,130.70 Lakhs as against Rs. 1,393.26 Lakhs in the previous Year. The turnover was Rs. 28,451.02 Lakhs as against Rs. 20,402.47 Lakhs in the previous year. The income from commission was Rs. 1,805.56 Lakhs as against Rs. 1,880.07 Lakhs in previous year.

During the year, an inflationary environment, high interest rates and pressure on the rupee resulted in low operating margins. With the new government at the Centre having received a majority mandate from the people, there is a renewed optimism about improving economic environment in the coming year. Unfettered with pressures of coalition politics, business looks forward to swift action towards necessary policy impetus that will further strengthen industry and business, and deepen international linkages.

### WORKING RESULT

(Rs. in lakhs)

Profit before Interest, Depreciation & Tax	1,988.93
Less: Interest	23.78
Depreciation	246.95
Provision for Taxation (Including Deferred Tax)	587.50
Profit for the year	1,130.70
Add: Balance as per last account	4,504.85
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	5,635.55
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### APPROPRIATIONS

Proposed Dividend on Equity Shares	454.80
Dividend Distribution Tax	77.30
Transfer to General Reserve	114.00
Balance carried to Balance Sheet	4,989.45
	-----
	5,635.55
	-----

### OPERATIONAL REVIEW

Based on the excellent relationship developed and nurtured over the years with its business associates, the Company continues to maintain its position as one of the leading Indenting and Distribution Companies in India mainly for Chemicals and Polymers.

The performance of the Company during the year was satisfactory, when viewed in the light of weak economic conditions as well as sharp volatility of Indian Rupees vis-à-vis other important foreign currencies particularly the US Dollar. Despite these adversities, the Company could achieve an all time high revenue from operations.

The performance of Avongrove Tea Estate in Darjeeling which produces excellent quality of organic tea was satisfactory. 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 conforms to labour and trade standards and is a recipient of the Certificate of fairtrade from Flo-CertGmbH, Germany.

The Company's solar energy training and consultancy business is in the process of achieving critical mass after which the division is expected to embark on its potential growth trajectory.

#### **DIVIDEND**

The Board of Directors recommends a dividend @ Rs. 3000/- per equity share of Rs. 1000/- each for the year ended on 31<sup>st</sup> March, 2014 for consideration of shareholders at the ensuing Annual General Meeting.

#### **PURCHASE OF OFFICE SPACE**

During the year, the Company purchased office space in Bengaluru for meeting its infrastructure requirement to service clients in South India. Along with Bengaluru, the Company has its own office space at all major business centres namely Gurgaon, Mumbai, New Delhi and Kolkata covering almost all part of the country.

#### **DIRECTORS**

Shri Surinder Kumar Kak has been re-appointed as Managing Director of the Company for a period of three years with effect from 1<sup>st</sup> September, 2014, subject to the approval of the members in the ensuing Annual General Meeting. Necessary resolutions for the approval of his appointment and remuneration payable to him have been included in the notice of Annual General Meeting.

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

Shri Suman Jyoti Khaitan resigned from the Board during the year.

#### **SUBSIDIARY COMPANY**

The Statement required under Section 212 of the Companies Act, 1956 in respect of its Subsidiary Company is appended to this Report.

#### **AUDITORS REPORT**

The observations made by the Auditors of the Company in their report are in the nature of general disclosure and are self explanatory.

#### **AUDITORS**

Messrs Singhi & Co., Chartered Accountants, Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting. As required under the provisions of Section 141 of the Companies Act, 2013 the Company has obtained a written confirmation from the retiring Auditors, to the effect that their reappointment, if made, shall be within the limits of section 141(3)(g) of the Companies Act, 2013.

## **DEPOSITS**

The Company has not accepted any fixed deposits from the public during the Year.

## **OTHER INFORMATION**

As per company's regular policy, high priority has been given to conservation of energy in the production of tea at Company's Avongrove Tea Estate.

The Company has no activity relating to technology absorption.

The foreign exchange outgo and earnings are given in Note No. 27.04, 27.07 & 27.08 in Other Notes to Accounts.

As required under Section 217(2A) of the Companies Act, 1956 and rules framed there under, the name and particular of employee receiving remuneration above prescribed threshold are set out in the annexure appended to this Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

A Statement of Director's Responsibility as prescribed under Section 217(2AA) of the Companies Act, 1956 is given below:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures in the financial statement;
- We have selected such accounting policies and applied them consistently and made judgements 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 of the Company for the Financial Year ended 31<sup>st</sup> March, 2014;
- We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- We have prepared the Annual Accounts on a going concern basis.

## **QUALITY MANAGEMENT SYSTEM**

The Company is effectively maintaining the Quality Systems as per the requirements of ISO 9001:2008, Certificate of Registration for which was granted by INTERTEK Quality Registrar.

## **ACKNOWLEDGEMENT**

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, 2<sup>nd</sup> Floor,  
'Indraprakash'  
21, Barakhamba Road,  
New Delhi 110 001

Dated: 06.06.2014

For and on behalf of the Board

R. V. Kanoria  
Chairman  
Din: 00003792



## ANNEXURE TO THE DIRECTOR'S REPORT

Particulars of employee pursuant to Section 217(2A) of the Companies Act, 1956 forming part of the Director's Report for the year ended 31<sup>st</sup> March, 2014

Name	Designation	Remuneration (Rs.)	Qualification	Age (years)	Experience (years)	Date of Joining	Last Employment
Shri S.K.Kak	Managing Director	7,498,225	B.A., PG in Business Management	58	32	01.09.2011	Kanoria Chemicals & Industries Limited

Notes:

1. Remuneration includes Salary, Commission, House Rent Allowance and Company's Contribution to Provident Fund, Leave Travel Assistance, Medical and other facilities.
2. Appointment is contractual.
3. The above employee is not a relative of any Director of the Company.
4. The above employee does not hold any Equity Share in the Company.

**Registered Office:**

212A, 216 & 222, 2<sup>nd</sup> Floor,  
'Indraprakash'  
21, Barakhamba Road,  
New Delhi 110 001  
Dated: 06.06.2014

For and on behalf of the Board

R. V. Kanoria  
Chairman  
Din: 00003792

## STATEMENT REGARDING SUBSIDIARY COMPANY

Pursuant to Section 212 of the Companies Act, 1956

**Section 212(1)(e)**

Name of Subsidiary Company	Financial Year Ended	Holding Company's Interest
KPL Logistics Limited	31 <sup>st</sup> March, 2014	100%

**Section 212(3)(b)**

	For the Financial Year ended 31 <sup>st</sup> March, 2014 (in Rs.)	For the Previous Financial Year (in Rs.)
(i) Net aggregate amount of Subsidiary profit which concerns the member of the Holding Company and not dealt with in the Company's Accounts:  KPL Logistics Limited	14,559	6,935
(ii) Net aggregate amount of subsidiary profit dealt with in the Company's Account:  KPL Logistics Limited	NIL	NIL

**Section 212(5)**

The financial Year of the Subsidiary Company coincides with the Financial Year of the Holding Company and as such Section 212(5) of the Act is not application in this case.

For and on behalf of the Board

Place: New Delhi  
Date: 06.06.2014

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

R. V. Kanoria  
Chairman  
DIN: 00003792

Ummang Mutreja  
Company Secretary

# INDEPENDENT AUDITOR'S REPORT

**To the Members of KPL International Limited,**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of KPL International Limited, ("the company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating to overall presentation of the financial statements.

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- b. In the case of Statement of Profit and Loss, of the profit for the year ended on that day; and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

## **Report on the other legal and regulatory requirements**

1. As required by the companies ( Auditor's Report) order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statements on the matters specified in the paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For Singhi & Co.**  
Chartered Accountants  
Firm Reg. No. 302049E

**B.L. Choraria**  
Partner  
Membership No. 022973

Place: New Delhi  
Dated: 06<sup>th</sup> June 2014

## **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 its fixed assets.
  - b. As informed to us, fixed assets have been physically verified by the management according to regular programme of periodical verification in phased manner. The frequency of physical verification is reasonable having regard to the size of the company and nature of its assets. As informed to us, no material discrepancies were noticed on such verification.
  - c. There was no substantial disposal of fixed assets during the year.
- (ii)
  - a. As explained to us inventories were physically verified during the year by the management at reasonable intervals.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.
- (iii)
  - a. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - b. In view of our comments in paragraph iii (a) above, the provision of clause iii (b), iii (c) and iii (d) of paragraph 4 of aforesaid order are not applicable to the company.
  - c. According to the information and explanations given to us, during the year the company has taken unsecured loan from the companies covered in register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 5,00,00,000/- (Previous Year Rs. Nil) and the year ended balance of loan taken is Rs. Nil/- (Previous Year Rs. Nil/-)
  - d. In our opinion and according to the information and explanation given to us, the rates of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
  - e. In respect of loan taken, the stipulation as regards to repayment of the principal amount and interest is on demand.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in internal control system.
- (v)
  - a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered, in the register to be maintained that section.
  - b. According to the information and explanations given to us, transactions seem to have been made at reasonable prevailing market rate at the relevant time.

- (vi) In our opinion and according to the information and explanation given to us, the company has not accepted any deposit from public during the year in terms of Section 58A and 58AA of the Companies Act, 1956 and rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) Rules made by Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company.
- (ix)
  - a. According to the records of the company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it, with the appropriate authorities and no arrears of outstanding statutory dues existed on 31<sup>st</sup> March 2014 for a period more than six months from the date they become payable.
  - b. According to the records of the company there are no dues outstanding on account of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty and cess on account of any dispute other than the following:

<b>NATURE OF DUES</b>	<b>Amount Involved ( in Rs)</b>	<b>Forum Where the dispute is pending</b>	<b>Period</b>
Income tax excluding penalty and interest if any	8,12,882	Appellate Tribunal	AY 2008-09
	2,26,936	CIT Appeal	AY 2010-11

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. We have been informed that the Company has not issued any debenture during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other securities except that it has investments of, long-term nature in shares and mutual funds, short-term nature in mutual funds and debentures and these are held in the name of the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from Bank & Financial Institutions.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, as on Balance Sheet date, the term loans obtained have been applied for the purpose for which such loans were obtained.
- (xvii) According to the information and explanation given to us and on overall examination of the Balance Sheet and Cash Flow Statement of the company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.

- (xix) The Company has not issued any debentures and therefore, the provisions of Clause 4(xix) of the order are not applicable to the company.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company, noticed or reported during the year.

**For SINGHI & CO**  
Chartered Accountants  
Firm Reg.no 302049E

**B.L. Choraria**  
Partner  
Membership No. 022973

Place: New Delhi  
Dated: 06<sup>th</sup> June 2014

**KPL INTERNATIONAL LIMITED**  
**BALANCE SHEET**  
**AS AT 31<sup>ST</sup> MARCH 2014**

Particulars	Note No.	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	15,186,500	15,186,500
(b) Reserves & Surplus	3	562,104,016	502,243,440
		<b>577,290,516</b>	<b>517,429,940</b>
<b>(2) Non-current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	4	9,244,440	8,004,027
(b) Other Long-term Liabilities	5	3,187,725	2,466,956
(c) Long-term Provisions	6	7,041,177	7,431,049
		<b>19,473,342</b>	<b>17,902,032</b>
<b>(3) Current Liabilities</b>			
(a) Short-term Borrowings	7	29,409,098	20,573,572
(b) Trade Payables	8	229,227,470	409,628,599
(c) Other Current Liabilities	9	44,532,665	37,705,430
(d) Short-term Provisions	6	111,990,373	99,306,870
		<b>415,159,606</b>	<b>567,214,471</b>
<b>Total</b>		<b>1,011,923,464</b>	<b>1,102,546,443</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10	287,547,128	234,388,350
(ii) Intangible Assets		22,853,980	28,469,426
		310,401,108	262,857,776
(b) Non-current Investments	11	37,627,634	16,924,501
(c) Long-term Loans & Advances	12	7,027,599	7,916,313
		<b>355,056,341</b>	<b>287,698,590</b>
<b>(2) Current Assets</b>			
(a) Current Investments	11	-	90,124,672
(b) Inventories	13	158,324,674	166,722,992
(c) Trade Receivables	14	351,733,271	304,404,647
(d) Cash and Bank Balances	15	56,751,550	157,631,360
(e) Short-term Loans & Advances	12	85,018,340	83,509,749
(f) Other Current Assets	16	5,039,288	12,454,433
		<b>656,867,123</b>	<b>814,847,853</b>
<b>Total</b>		<b>1,011,923,464</b>	<b>1,102,546,443</b>
<b>Significant Accounting policies</b>	1		
<b>Contingent Liabilities and Commitments</b>	26		
<b>Other Notes to Accounts</b>	27		

The accompanying notes are an integral part of the Financial Statements.

As per our report annexed  
For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

For and on behalf of the Board

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

R.V. Kanoria  
Chairman  
DIN: 00003792

B.L. Choraria, Partner  
Membership No. 22973  
Place: New Delhi  
Dated: 06.06.2014

Ummang Mutreja  
Company Secretary

**KPL INTERNATIONAL LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

Particulars	Note No.	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
<b>I. Revenue from Operations</b>	17	3,027,536,581	2,229,387,522
Less: Excise Duty		3,727,574	4,107,558
Revenue from Operations (net)		3,023,809,007	2,225,279,964
<b>II. Other Income</b>	18	31,747,753	38,085,621
<b>III. Total Revenue(I+II)</b>		<b>3,055,556,760</b>	<b>2,263,365,585</b>
<b>IV. Expenses:</b>			
Cost of Materials Consumed	19	30,439,754	30,811,032
Purchases of Stock-in-Trade	20	2,563,357,636	1,839,477,696
Change in Inventories of finished goods, work-in-process and Stock-in-Trade	21	7,870,953	(45,229,696)
Employees Benefit Expenses	22	106,700,669	98,920,808
Finance Cost	23	11,512,177	8,557,061
Depreciation	24	24,695,329	22,190,035
Other Expenses	25	139,160,208	109,652,709
<b>Total Expenses</b>		<b>2,883,736,726</b>	<b>2,064,379,645</b>
<b>V. Profit before Tax (III-IV)</b>		<b>171,820,034</b>	<b>198,985,940</b>
<b>VI. Tax Expense</b>			
Current Tax		56,700,000	62,300,000
Deferred Tax (Net)		1,240,414	276,748
Provision for Taxation of earlier year		809,718	(2,916,636)
		<b>58,750,132</b>	<b>59,660,112</b>
<b>VII. Profit after Tax for the year (V-VI)</b>		<b>113,069,902</b>	<b>139,325,828</b>
<b>Basic and Diluted Earning per Equity Share of Rs. 1000/- each</b>	27.09		
Before Exceptional items (Rs.)		7,458	9,190
After Exceptional items (Rs.)		7,458	9,190
<b>Significant Accounting policies</b>	1		
<b>Other Notes to Accounts</b>	27		

The accompanying notes are an integral part of the Financial Statements.

As per our report annexed  
For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

For and on behalf of the Board

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

R.V. Kanoria  
Chairman  
DIN: 00003792

B.L. Choraria, Partner  
Membership No. 22973  
Place: New Delhi  
Dated: 06.06.2014

Ummang Mutreja  
Company Secretary



**KPL INTERNATIONAL LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and exceptional items	171,820,034	198,985,940
Adjustments for:		
Depreciation & Amortisation	24,695,329	22,190,035
Sundry Balances Written off	843,020	1,413,125
(Profit) / Loss on Sale of Fixed Assets	(1,823,526)	(242,519)
Interest	2,378,219	1,715,384
Net Provision for Bad & Doubtful debts	(898,918)	(370,184)
Dividend Income from Investments	(34,007)	(2,714,046)
Income from Portfolio Investments	(326,886)	(408,125)
Liability no longer required written back	(1,184,394)	(391,228)
Interest Income	(10,154,542)	(15,523,590)
Unrealised Foreign Exchange Fluctuation(NET)	(1,331,884)	(467,340)
Prior Period Adjustment	-	15,576
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>183,982,445</b>	<b>204,203,028</b>
(Increase) / Decrease in Sundry Debtors	(48,067,097)	(111,965,298)
(Increase) / Decrease in Inventories	8,398,318	(34,547,963)
(Increase) / Decrease in Loan & Advances	(5,772,181)	(122,724)
Increase / (Decrease) in Liabilities	(168,238,530)	308,075,178
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(29,697,045)</b>	<b>365,642,221</b>
Income Tax Paid	59,124,548	68,628,190
<b>CASH FROM OPERATING ACTIVITIES BEFORE PRIOR PERIOD ITEMS</b>	<b>(88,821,593)</b>	<b>297,014,031</b>
Prior Period Items	-	15,576
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>(88,821,593)</b>	<b>296,998,455</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(72,618,750)	(33,763,291)
Purchase of Investments (Net)	69,421,539	(44,473,752)
Dividend and Interest Income from Investments	18,776,373	8,045,679
Income from Portfolio Investments	326,886	408,125
Net Proceeds from Sale of Fixed Assets	2,203,613	550,994
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>18,109,661</b>	<b>(69,232,245)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowing from Bank	8,835,526	3,306,166
Interest Paid	(2,378,219)	(1,799,525)
Dividend Paid	(35,472,887)	(70,477,324)
Unclaimed Debenture	-	(4,932,309)
Repayment of Short Term Loans	-	(1,228,108)
Repayment of long term borrowings	-	(893,132)
<b>NET CASH USED/FROM FINANCING ACTIVITIES</b>	<b>(29,015,580)</b>	<b>(76,024,232)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(99,727,512)</b>	<b>151,741,978</b>
Cash and cash equivalent as at 31.03.2013	156,350,092	4,608,114
Cash and cash equivalent as at 31.03.2014	56,622,580	156,350,092
Cash and Cash equivalents includes		
Cash and Bank Balances	56,751,550	157,631,360
Less: Unpaid Dividend	128,970	1,281,267
<b>Cash and Cash Equivalents</b>	<b>56,622,580</b>	<b>156,350,092</b>

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.

As per our report annexed  
For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

For and on behalf of the Board

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

R.V. Kanoria  
Chairman  
DIN: 00003792

B.L. Choraria, Partner  
Membership No. 22973  
Place: New Delhi  
Dated: 06.06.2014

Ummang Mutreja  
Company Secretary

# NOTES TO FINANCIAL STATEMENTS

## 1 SIGNIFICANT ACCOUNTING POLICIES

### A ACCOUNTING CONVENTION

- i) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted Accounting Principles and in accordance with the relevant presentational requirements of The Companies Act, 1956. The Accounting Policies applied by the company are consistent with those used in the previous year.
- ii) All items of Income & Expenditure is recognized on accrual basis, except Insurance claims & claims of Customers or Principals being accounted for as and when settled on account of uncertainty involved.
- iii) Income on Portfolio Investment is recognised on realisation basis.

### B REVENUE RECOGNITION

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

### C FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The carrying amounts are reviewed at each balance sheet date. if there is any indication of impairment based on internal/external factors.

### D DEPRECIATION

Depreciation on Fixed Assets is provided on written down method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis.

### E VALUATION OF INVENTORIES

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

### F INVESTMENTS

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

### G BORROWING COST

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

## **H FOREIGN CURRENCY TRANSACTIONS**

- i) All Assets and Liabilities in foreign currency 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.
- ii) Transactions pertaining to sales, purchases & commission in foreign currency are accounted for at the average exchange rate for the previous month in which the transactions take place. Gains / Losses arising out of fluctuations in exchange rate are recognized in the statement of Profit & Loss in the period they arise.

## **I RETIREMENT BENEFITS**

- i) The liability towards leave encashment at the year end is accounted for on actuarial valuation basis.
- ii) Company makes annual contribution of gratuity to Group Gratuity Policy with Life Insurance Corporation of India, a scheme created for the purpose of qualifying employees except for Avongrove Tea Estate for which liability is provided in accordance with AS 15 issued by ICAI.

## **J TAXATION**

- i) Current tax is the provision made for the amount of income tax payable in respect of taxable income for the period.
- ii) Deferred tax is recognised on timing differences between taxable income and accounting income which are capable of being reversed in one or more subsequent periods subject to consideration of prudence.
- iii) Deferred tax assets on unabsorbed depreciation and carry forward of losses are recognized to the extent of the virtual certainty that there will be sufficient future taxable income available to realize such deferred assets.
- iv) Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date.

## **K IMPAIRMENT**

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

## **L PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

## NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)		
<b>2. SHARE CAPITAL</b>				
<b>(a) AUTHORISED</b>				
99,700 Equity Shares of Rs. 1,000/- each	99,700,000	99,700,000		
3,000 9.8% Redeemable Cumulative Preference Shares of Rs. 100/- each	300,000	300,000		
	<u>100,000,000</u>	<u>100,000,000</u>		
<b>(b) ISSUED</b>				
15,160 Equity Shares of Rs. 1,000/- each fully paid up	<u>15,160,000</u>	<u>15,160,000</u>		
<b>(c) SUBSCRIBED AND PAID UP</b>				
15,160 Equity Shares of Rs. 1,000/- each fully paid up	15,160,000	15,160,000		
Add: Forfeited Shares (Amount Originally paid up)	26,500	26,500		
	<u>15,186,500</u>	<u>15,186,500</u>		
<b>(d) Reconciliation of Equity Shares (Nos.)</b>				
Balance as at the beginning of the year	15,160	15,160		
<b>Balance as at the end of the year</b>	<u>15,160</u>	<u>15,160</u>		
<b>(e) Terms/ rights attached to equity shares</b>				
The Company has one class of Equity Share having par value of Rs.1,000 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.				
<b>(f) 14,113 (Previous Year 14,111 ) Nos. of equity shares of the company held by its Holding company (M/s Vardhan Finvest Limited)</b>				
<b>(g) Details of Share held by shareholders holding more than 5 % of the aggregate shares in the Company:</b>				
	<b>As at 31.03.2014</b>		<b>As at 31.03.2013</b>	
<b>Name of shareholder</b>	<b>Nos.</b>	<b>% of Holding</b>	<b>Nos.</b>	<b>% of Holding</b>
Vardhan Finvest Limited	14,113	93.09	14,111	93.08
	<b>As at 31.03.2014 (Rs.)</b>		<b>As at 31.03.2013 (Rs.)</b>	
<b>3. RESERVES &amp; SURPLUS</b>				
<b>(a) CAPITAL REDEMPTION RESERVE</b>				
Balance as at the beginning of the year	4,750	4,750		
<b>Balance as at the end of the year</b>	<u>4,750</u>	<u>4,750</u>		
<b>(b) GENERAL RESERVE</b>				
Balance as at the beginning of the year	51,754,000	37,821,000		
Add: Transfer from Surplus in Statement of Profit and Loss during the year	11,400,000	13,933,000		
<b>Balance as at the end of the year</b>	<u>63,154,000</u>	<u>51,754,000</u>		
<b>(c) SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>				
Balance as at the beginning of the year	450,484,690	395,803,408		
Profit for the year	113,069,902	139,325,828		
Less: Appropriations				
Proposed Dividend on Equity Shares	45,480,000	30,320,000		
Interim Dividend on Equity Shares	-	30,320,000		
Dividend Distribution Tax	7,729,326	10,071,546		
Transfer to General Reserve	11,400,000	13,933,000		
<b>Balance as at the end of the year</b>	<u>498,945,266</u>	<u>450,484,690</u>		
<b>Total</b>	<u>562,104,016</u>	<u>502,243,440</u>		

## NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
<b>4. DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liability		
Depreciation	12,599,200	11,065,133
Deferred Tax Assets		
Employee Benefits	3,086,053	2,896,577
Others	268,707	164,529
	<u>3,354,760</u>	<u>3,061,106</u>
	<u>9,244,440</u>	<u>8,004,027</u>
<b>5. OTHER LONG-TERM LIABILITIES</b>		
Security Deposits	<u>3,187,725</u>	<u>2,466,956</u>
	<u>3,187,725</u>	<u>2,466,956</u>
<b>6. PROVISIONS</b>	<b>Long-term</b>	<b>Short-term</b>
	As at	As at
	31.03.2014	31.03.2013
	(Rs.)	(Rs.)
(a) Provision for employee benefits:		
For Gratuity	4,348,980	5,239,814
For Accrued Leave	2,692,197	2,191,235
(b) Other Provisions:		
For Taxation	-	56,742,929
Proposed Dividend	-	45,480,000
Dividend Tax	-	7,729,326
	<u>7,041,177</u>	<u>7,431,049</u>
	<u>111,990,373</u>	<u>99,306,870</u>
	<b>As at 31.03.2014 (Rs.)</b>	<b>As at 31.03.2013 (Rs.)</b>
<b>7. SHORT-TERM BORROWINGS</b>		
<b>SECURED</b>		
From Banks:		
Cash Credit Facilities Repayable on Demand (Secured by hypothecation over entire Current Assets; and equitable mortgage of Office premises at DLF Corporate Park, Gurgaon)	29,409,098	20,573,572
	<u>29,409,098</u>	<u>20,573,572</u>
<b>8. TRADE PAYABLES</b>		
(a) Micro, Small and Medium Enterprises (Refer note no 27.12)	-	-
(b) Other Entities		
For Goods	214,722,940	397,360,044
For Services	14,504,530	12,268,555
	<u>229,227,470</u>	<u>409,628,599</u>
<b>9. OTHER CURRENT LIABILITIES</b>		
(a) Unpaid Dividend*	128,967	1,281,267
(b) Advance From Customers	5,870,593	5,024,108
(c) Employee related liabilities	12,283,026	9,360,191
(d) Statutory dues	6,017,771	4,528,149
(e) Security & Trade deposits	13,122,763	10,947,805
(f) Amount payable for Capital Goods	5,526,694	2,664,464
(g) Other liabilities	1,582,851	3,899,446
	<u>44,532,665</u>	<u>37,705,430</u>
*There is no amount due for payment to the Investor Education and Protection Fund under section 205C of the companies Act, 1956 as at the year end.		

## NOTES TO FINANCIAL STATEMENTS

### 10 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost up to 31.03.2013	Addition during the year	Sales / adjustment during the year	Cost up to 31.03.2014	Depreciation up to 31.03.2013	Depreciation for the year	Sales / adjustment during the year	Depreciation up to 31.03.2014	WDV as on 31.03.2014	WDV as on 31.03.2013
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>Tangible Assets</b>										
Land	2,200,000	-	-	2,200,000	-	-	-	-	2,200,000	2,200,000
Tea Plantation	20,350,399	191,538	-	20,541,938	-	-	-	-	20,541,938	20,350,399
Buildings	259,661,206	63,013,505	-	322,674,711	75,671,666	11,240,205	-	86,911,871	235,762,840	183,989,540
Plant & Equipment	81,437,327	2,261,910	2,056,432	81,642,805	67,043,890	3,864,952	2,056,432	68,852,410	12,790,395	14,393,437
Furniture and Fixture	9,397,625	2,576,337	3,250	11,970,711	6,121,799	613,253	3,250	6,731,802	5,238,909	3,275,826
Office Equipments	11,786,357	1,403,531	945,941	12,243,947	8,636,094	1,006,332	919,131	8,723,295	3,520,651	3,150,263
Vehicles	17,678,470	3,075,910	1,160,680	19,593,700	10,649,585	2,259,122	807,402	12,101,305	7,492,395	7,028,885
	402,511,384	72,522,730	4,166,303	470,867,811	168,123,034	18,983,864	3,786,215	183,320,683	287,547,128	234,388,350
<b>Intangible Assets</b>										
Computer Software	6,306,975	96,020	-	6,402,995	4,574,049	364,166	-	4,938,215	1,464,779	1,732,926
Intellectual Property & Rights	30,768,540	-	-	30,768,540	4,032,040	5,347,299	-	9,379,339	21,389,201	26,736,500
<b>Total</b>	<b>439,586,899</b>	<b>72,618,750</b>	<b>4,166,303</b>	<b>508,039,346</b>	<b>176,729,123</b>	<b>24,695,329</b>	<b>3,786,215</b>	<b>197,638,237</b>	<b>310,401,108</b>	<b>262,857,776</b>
<i>Figures for the corresponding previous year</i>	<i>408,434,301</i>	<i>33,763,291</i>	<i>2,610,693</i>	<i>439,586,899</i>	<i>156,841,306</i>	<i>22,190,035</i>	<i>2,302,218</i>	<i>176,729,123</i>	<i>262,857,776</i>	<i>251,592,995</i>

## NOTES TO FINANCIAL STATEMENTS

		As at 31.03.2014			As at 31.03.2013	
		Face Value (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)
<b>11. INVESTMENTS</b>						
<b>A. NON CURRENT</b>						
<b>NON TRADE INVESTMENTS(Valued at Cost unless stated otherwise)</b>						
a) QUOTED						
INVESTMENT IN EQUITY INSTRUMENTS						
Federal Bank Ltd.(Fully Paid Up)		2	3,555	102,750	711	102,750
		(Previous year Rs. 10/- each)				
		<b>Number of units</b>				
		<b>As at 01.04.2013</b>	<b>Purchased / addition during the year</b>	<b>Sold during the year</b>	<b>As at 31.03.2014</b>	
KOTAK FMP SERIES 135 (Face value of Rs. 10/-per unit)		-	1,000,000	-	1,000,000	10,000,000
						-
b) UNQUOTED EQUITY INSTRUMENTS						
INVESTMENT IN SUBSIDIARY COMPANY						
KPL Logistics Limited (Fully Paid Up) (Face value of Rs. 10/-per unit)				50,000	50,000	500,000
INVESTMENT IN PORTFOLIO						
HDFC Assets Management Company Limited				774,884		1,321,751
INVESTMENT IN VENTURE CAPITAL FUND						
ASK Pravi Private Equity Opportunities Fund				26,250,000		15,000,000
				<u>37,627,634</u>		<u>16,924,501</u>
		<b>Number of units</b>				
		<b>As at 01.04.2013</b>	<b>Purchased / addition during the year</b>	<b>Sold during the year</b>	<b>As at 31.03.2014</b>	
<b>B. CURRENT</b>						
AT COST UNQUOTED NON TRADE INVESTMENT						
INVESTMENT IN MUTUAL FUNDS						
Axis Bank Liquid Fund		70284.619	455832.012	526116.631	-	70,000,000
(Face value of Rs. 1000/- per unit)		(40031.797)	(497630.773)	(467377.251)	(70284.619)	
INVESTMENT IN DEBENTURES						
Future Corporate Resources Limited						20,124,672
						<u>90,124,672</u>
		<b>As at 31.03.2014</b>			<b>As at 31.03.2013</b>	
		Book Value	Market Value	Book Value	Market Value	
Aggregate amount of:-						
Quoted Investments		10,102,750	10,508,559	102,750	341,671	
Unquoted Investments		<u>27,524,884</u>	-	<u>106,946,423</u>	-	
		<u>37,627,634</u>		<u>107,049,173</u>		

## NOTES TO FINANCIAL STATEMENTS

	Long-term		Short-term	
	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
<b>12. LOANS AND ADVANCES</b>				
Advance recoverable in cash or in kind				
(a) Security Deposits (Unsecured, considered good )	5,745,822	5,710,736	1,472,956	1,185,929
(b) Other Loans and Advances :				
(Unsecured, considered good )				
Prepaid Expenses	537,323	819,336	3,865,831	2,664,278
Balance with Central Excise and other Government Authorities	-	-	7,140,315	5,293,746
Advance Payment of Income Tax	-	-	64,823,580	68,700,629
Advance to Employees	234,280	-	980,790	904,754
Advance to Suppliers	510,174	1,386,241	5,445,798	3,864,575
Other Advance	-	-	1,289,070	895,838
	<b>7,027,599</b>	<b>7,916,313</b>	<b>85,018,340</b>	<b>83,509,749</b>
	As at 31.03.2014 (Rs.)		As at 31.03.2013 (Rs.)	
<b>13 INVENTORIES</b>				
(As taken, valued and certified by the Management)				
(a) Raw Materials		235,281		1,144,062
(b) Stores and Spare Parts etc.		1,289,260		907,843
(c) Finished Goods		10,266,681		5,764,938
(d) Traded Goods (Chemicals, Polymer & Others)		146,533,452		158,906,149
		<b>158,324,674</b>		<b>166,722,992</b>
<b>Details of Finished Goods / Raw Materials</b>				
	Finished Goods		Raw Materials	
	As at	As at	As at	As at
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Refrigerant Gas	9,023,728	4,223,319	235,281	1,144,062
Tea	1,242,953	1,541,619	-	-
	<b>10,266,681</b>	<b>5,764,938</b>	<b>235,281</b>	<b>1,144,062</b>
	As at 31.03.2014 (Rs.)		As at 31.03.2013 (Rs.)	
<b>14. TRADE RECEIVABLES</b>				
(Unsecured, considered good unless otherwise stated)				
(a) Outstanding for a period exceeding six months from due date				
Unsecured, Considered Good		50,877,670		8,676,955
Unsecured, Doubtful		790,548		507,101
Less: Provision for Doubtful Debts		790,548		507,101
		<b>50,877,670</b>		<b>8,676,955</b>
(b) Other				
Secured, Considered Good		-		-
Unsecured, Considered Good		300,855,601		295,727,692
		<b>351,733,271</b>		<b>304,404,647</b>
<b>15. CASH AND BANK BALANCES</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
(a) Cash in hand		1,319,901		169,677
(b) Balance with Banks				
In Current Account		1,029,506		17,010,841
In EEFC Account		1,917,115		4,058,094
In Current Account (Foreign Countries)		6,256,058		111,481
<b>OTHER BANK BALANCES</b>				
(a) Earmarked Balances With Banks				
In Unpaid Dividend Account		128,970		1,281,267
(b) Margin Money held as Securities		46,100,000		135,000,000
		<b>56,751,550</b>		<b>157,631,360</b>



## NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
<b>16. OTHER CURRENT ASSETS</b>		
Unsecured, Considered Good unless otherwise stated		
(a) Accrued Commission	2,121,371	1,022,972
(b) Dividend & Interest Receivable	1,671,505	10,259,329
(c) Other Receivable	<u>1,246,412</u>	<u>1,172,132</u>
	<b>5,039,288</b>	<b>12,454,433</b>
	<b>For the year ended 31.03.2014 (Rs.)</b>	<b>For the year ended 31.03.2013 (Rs.)</b>
<b>17. REVENUE FROM OPERATIONS</b>		
(a) Sale of Products		
Tea (Including Export Sales of Rs 29,75,334(Previous Year Rs. 36,96,668)	24,508,646	24,487,312
Refrigerant Gas	32,734,093	37,285,979
Wind Power	<u>9,290,931</u>	<u>9,228,567</u>
Traded Goods (Chemicals, Polymers & Others) (Including Export Sales of Rs. 93,32,65,773 (Previous Year - Rs. 10,86,70,269))	<u>2,778,568,094</u>	<u>1,969,245,344</u>
	<b>2,845,101,764</b>	<b>2,040,247,202</b>
(b) Commission Income (Refer Note no- 27.01 of Other Notes to Account)	180,556,292	188,006,546
(c) Solar Training	1,687,495	839,318
(d) Other Operating Revenue Export Benefits	<u>191,030</u>	<u>294,456</u>
	<b>3,027,536,581</b>	<b>2,229,387,522</b>
<b>18. OTHER INCOME</b>		
Interest Income		
On Bond and Debenture	3,407,082	4,111,152
From Fixed Deposit	6,474,828	11,018,235
From Others	272,632	394,203
Dividend Income		
On long term Investments	6,399	6,399
On Current Investments	27,608	2,707,647
Income from Investments-Portfolio	326,886	408,125
Rent Received	17,632,686	17,108,359
Liabilities No longer required written back	1,184,394	391,228
Subsidy	74,493	514,940
Profit on Sale of Fixed Assets - Net	1,823,526	242,519
Miscellaneous receipts	<u>517,219</u>	<u>1,182,814</u>
	<b>31,747,753</b>	<b>38,085,621</b>
<b>19. COST OF RAW MATERIAL CONSUMED</b>		
Refrigerant Gas	<u>30,439,754</u>	<u>30,811,032</u>
	<b>30,439,754</b>	<b>30,811,032</b>
<b>20. PURCHASES OF STOCK IN TRADE</b>		
Traded Goods (Chemicals, Polymers & Others)	<u>2,563,357,636</u>	<u>1,839,477,696</u>
	<b>2,563,357,636</b>	<b>1,839,477,696</b>
<b>21. CHANGE IN INVENTORIES</b>		
<b>Finished Goods</b>		
Opening Stock	5,764,937	10,148,555
Closing Stock	<u>10,266,681</u>	<u>5,764,937</u>
<b>Decrease /(Increase)</b>	<b>(4,501,744)</b>	<b>4,383,618</b>
<b>Trading Goods</b>		
Opening Stock	158,906,149	109,292,835
Closing Stock	<u>146,533,452</u>	<u>158,906,149</u>
<b>Decrease /(Increase)</b>	<b>12,372,697</b>	<b>(49,613,314)</b>
<b>Change in inventory</b>	<b>7,870,953</b>	<b>(45,229,696)</b>

## NOTES TO FINANCIAL STATEMENTS

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
<b>22. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus & Gratuity etc.	90,857,273	84,414,531
Managerial Remuneration	7,498,225	6,869,117
Contribution to Provident Fund	6,350,443	5,771,092
Staff Welfare	1,994,728	1,866,068
	<b>106,700,669</b>	<b>98,920,808</b>
<b>23. FINANCE COST</b>		
Bank Charges	9,133,958	6,841,677
Interest Paid to Bank	641,233	837,937
Interest on Others	1,736,986	877,447
	<b>11,512,177</b>	<b>8,557,061</b>
<b>24. DEPRECIATION</b>		
Depreciation	24,695,329	22,190,035
	<b>24,695,329</b>	<b>22,190,035</b>
<b>25. OTHER EXPENSES</b>		
Consumption of Stores & Spare parts etc.	1,304,141	995,426
Power & Fuel	3,645,623	3,516,789
Rent	11,885,241	10,469,124
Repairs to Plant & Machinery	224,514	519,088
Repairs to Buildings	2,807,277	2,685,963
Repairs to Others	6,138,116	5,401,532
Insurance	1,626,003	1,275,611
Rates & Taxes	4,552,543	2,520,016
Auditors' Remuneration		
Audit Fees	393,260	393,260
Tax Audit Fees	30,899	19,663
Certification Fees	28,090	28,090
Reimbursement of Expenses	35,902	26,675
Exchange Rate Fluctuation – Net	38,287,486	19,799,171
Selling & Distributing Expenses	29,891,979	28,898,196
Directors Sitting Fees	89,888	51,854
Travelling Expenses	12,186,451	10,460,585
Bad Debt	843,020	757,318
Provision for Bad & Doubtful Debts	283,447	21,044
Donation	2,500,000	563,100
Previous Year Adjustment (Net)	-	15,576
Miscellaneous Expenses	22,406,328	21,234,628
	<b>139,160,208</b>	<b>109,652,709</b>
	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
<b>26. CONTINGENT LIABILITIES &amp; COMMITMENTS :</b>		
<b>26.01 CONTINGENT LIABILITIES</b>		
Bank Guarantees given to various Govt. Authorities / others	3,197,219	376,093
Income Tax demand under appeal	1,039,818	1,349,935
<b>26.02 COMMITMENTS</b>		
Estimated amount of Contract remaining to be executed on Capital Account and not provided for (Net of Advance) Rs. 5,10,174 (Previous Year Rs. 13,86,241)		
<b>27 OTHER NOTES TO ACCOUNTS</b>		
<b>27.01</b> Commission Income includes shipments made earlier years but advice received in Current Year Rs. 21,75,703/- (Previous year 2,93,840/-).		

## NOTES TO FINANCIAL STATEMENTS

**27.02** 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)-

Defined Contribution Plan: The Company contributed Rs 59,43,376/- for all eligible employees towards Provident Fund managed by the Central Government.

PARTICULARS	2013-14		2012-13	
	GRATUITY	LEAVE ENCASH (UNFUNDED)	GRATUITY	LEAVE ENCASH (UNFUNDED)
<b>A. RECONCILIATION OF OPENING AND CLOSING BALANCES OF DEFINED BENEFIT OBLIGATION</b>				
DEFINED BENEFIT OBLIGATION AS ON 01-04-2013	13,645,621	3,215,852	8,791,633	2,313,590
EMPLOYER SERVICE COST	1,430,532	1,052,482	1,117,921	894,154
INTEREST COST	1,157,514	257,268	735,582	185,087
ACTUARIAL (GAINS) / LOSSES	(566,971)	41,065	3,746,208	129,119
BENEFITS PAID	(601,881)	(381,725)	(745,723)	(306,098)
<b>PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AS ON 31-03-2014</b>	<b>15,064,815</b>	<b>4,184,942</b>	<b>13,645,621</b>	<b>3,215,852</b>
<b>B. RECONCILIATION OF OPENING AND CLOSING BALANCES OF FAIR VALUE OF PLAN ASSETS</b>				
FAIR VALUE OF ASSETS AT THE BEGINNING OF THE YEAR	9,367,945	-	7,557,571	-
EXPECTED RETURN ON PLANNED ASSETS	810,783	-	686,504	-
CONTRIBUTION	214,439	-	1,494,636	-
BENEFITS PAID	(225,981)	-	(370,766)	-
ACTUARIAL (GAINS) / LOSSES	3,276	-	-	-
<b>FAIR VALUE OF PLAN ASSETS AT YEAR END</b>	<b>10,170,462</b>	<b>-</b>	<b>9,367,945</b>	<b>-</b>
<b>C. RECONCILIATION OF FAIR VALUE OF ASSETS &amp; OBLIGATION</b>				
FAIR VALUE OF PLAN ASSETS AS AT 31.03.2014	10,170,462	-	9,367,945	-
FAIR VALUE OF OBLIGATION AS AT 31.03.2014	15,064,815	4,184,942	13,645,621	3,215,852
AMOUNT RECOGNISED IN BALANCE SHEET	4,894,353	4,184,942	4,277,676	3,215,852
<b>D. EXPENSES RECOGNISED DURING THE YEAR 2013-14</b>				
CURRENT SERVICE COST	1,430,532	1,052,482	1,117,921	894,154
INTEREST COST	1,157,514	257,268	735,582	185,087
EXPECTED RETURN ON PLANNED ASSETS	(810,783)	-	(686,504)	-
ACTUARIAL (GAINS) / LOSSES	(570,247)	41,065	3,746,208	129,119
<b>TOTAL</b>	<b>1,207,016</b>	<b>1,350,815</b>	<b>4,913,207</b>	<b>1,208,360</b>
<b>E. ACTUARIAL ASSUMPTIONS</b>				
MORTALITY TABLE (L.I.C. 1994-96 duly modified)				
DISCOUNT RATE (PER ANNUM)	8%	8%	8%	8.5%
RATE OF ESCALATION IN SALARY	6%	6%	6%	6.0%

## NOTES TO FINANCIAL STATEMENTS

<b>27.03 Related Party Disclosure (To the extent Identified by the company)</b>	
<b>Name &amp; Relationship of the Related Parties:</b>	
I. Enterprises where control exists:	
a) Vardhan Finvest Limited	- Holding Company
b) KPL Logistics Limited	- Subsidiary Company
c) Kanoria Chemical & Industries Limited	- Under Common Control
d) Vardhan Limited	- Under Common Control
e) Suprawin Technologies Limited	- Under Common Control
f) Breaking Wave Software Pvt Ltd	- Under Common Control
g) Kirtivardhan Finvest Services Ltd	- Under Common Control
h) Kanoria Africa Textiles PLC, Ethiopia,	- Under Common Control
i) Apag Elektronik AG, Switzerland	- Under Common Control
j) Apag Elektronik S.R.O.	- Under Common Control
k) Sambhava Foundation	- Charitable Trust
II. Key Managerial Personnel:	
Mr. Surinder Kumar Kak, Managing Director	

### Transactions with Related Parties during the year:

Nature of Transaction	Holding / Subsidiary		Enterprises Under Common Control		Key Management Personnel*	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>1. Interest paid</b>						
Vardhan Limited	--	--	207,123	--	--	--
Kirtivardhan Finvest Services Limited			253,151			
<b>2. Managerial Remuneration</b>						
Mr. Surinder Kumar Kak	--	--	--	--	7,498,225	6,869,117
<b>3. Dividend paid</b>						
Vardhan Finvest Limited	28,226,000	56,444,000	--	--	--	--
<b>4. Loan Received</b>						
Vardhan Limited	--	--	22,500,000	--	--	--
Kirtivardhan Finvest Services Limited	--	--	27,500,000	--	--	--
<b>5. Loan repaid</b>						
Vardhan Limited	--	--	22,500,000	--	--	--
Kirtivardhan Finvest Services Limited	--	--	27,500,000	--	--	--
<b>6. Commission Income</b>						
Kanoria Chemicals & Industries Ltd.	--	--	1,517,584	529,165	--	--
Apag Elektronik S.R.O.	--	--	148,273	--	--	--
<b>7. Rent Received</b>						
Kanoria Chemicals & Industries Ltd.	--	--	1,612,500	1,669,838	--	--
<b>8. Rent Paid</b>						
Kanoria Chemicals & Industries Ltd.	--	--	767,538	720,828	--	--
<b>9. Assets Sale</b>						
Kanoria Chemicals & Industries Ltd.	--	--	266,667	--	--	--
<b>10. Sale of Goods</b>						
Kanoria Chemicals & Industries Ltd.	--	--	581,427,023	--	--	--
Kanoria Africa Textiles PLC, Ethiopia	--	--	84,146,846	--	--	--
Apag Elektronik AG, Switzerland	--	--	327,593	--	--	--
Apag Elektronik S.R.O.	--	--	68,599,266	--	--	--
<b>11. Assets Purchase</b>						
Suprawin Technologies Limited	--	--	--	208,028	--	--
<b>12. Website Development</b>						
Breaking Wave Software Pvt Ltd.	--	--	200,000	--	--	--
<b>13. Donation Paid</b>						
Sambhava Foundation	--	--	2,500,000	--	--	--
<b>14. Training Fees</b>						
Sambhava Foundation	--	--	231,000	--	--	--
<b>Balance outstanding as on Balance Sheet date</b>						
Payable -Kanoria Chemicals & Industries Ltd.	--	--	750,000	750,000	--	--
Receivable -Kanoria Chemicals & Industries Ltd.	--	--	850,743	48,000	--	--
-Kanoria Africa Textile PLC	--	--	70,617,487	--	--	--
Investment in shares of KPL Logistics Ltd.	500,000	500,000	--	--	--	--
Remuneration payable to Mr. Surinder Kumar Kak					1,780,128	2,056,826

\* Excluding Actuarial Valuation of Gratuity & Leave Encashment

## NOTES TO FINANCIAL STATEMENTS

	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
<b>27.04 Value of Import on CIF basis</b>		
Raw Materials	27,382,296	18,673,327
Trading Goods	2,304,103,129	1,671,711,006
	<b>2,331,485,425</b>	<b>1,690,384,333</b>
	<b>For the year ended 31.03.2014</b>	<b>For the year ended 31.03.2013</b>
	<b>Value (Rs.)</b>	<b>Value (Rs.)</b>
	<b>%</b>	<b>%</b>
<b>27.05 Value of Imported and Indigenous Raw Material Consumed and Percentage Thereof.</b>		
Indigenous	-	-
Imported	30,439,754	30,811,032
	30,439,754	30,811,032
	100%	100%
	100%	100%
<b>27.06 Value of Consumables and Stores &amp; Spare parts (Excluding charged to other heads)</b>		
Indigenous	1,304,141	995,426
Imported	-	-
	1,304,141	995,426
	100%	100%
	0%	0%
	100%	100%
	<b>For the year ended 31.03.2014 (Rs.)</b>	<b>For the year ended 31.03.2013 (Rs.)</b>
<b>27.07 Expenditures in Foreign Exchange</b>		
Foreign Travelling	723,632	647,372
Professional Services	129,444	525,292
Others	10,445,895	7,273,771
	<b>11,298,971</b>	<b>8,446,435</b>
<b>27.08 Earnings in Foreign Exchange</b>		
Commission Income	180,556,292	188,006,546
FOB Value of Export	86,140,090	17,167,081
Third Country Sales	846,355,954	94,643,395
	<b>1,113,052,336</b>	<b>299,817,022</b>
<b>27.09 Earning Per Share</b>		
<b>A. Earning Per Share after Exceptional Items</b>		
Profit for the year after Exceptional items	113,069,902	139,325,828
Weighted average number of Equity Shares	15,160	15,160
<b>Basic &amp; Diluted earning per share of Rs. 1000/- each</b>	<b>7,458</b>	<b>9,190</b>
<b>B. Earning Per Share before Exceptional Items</b>		
Profit for the year before Exceptional items	113,069,902	139,325,828
Weighted average number of Equity Shares	15,160	15,160
<b>Basic &amp; Diluted earning per share of Rs. 1000/- each</b>	<b>7,458</b>	<b>9,190</b>

## NOTES TO FINANCIAL STATEMENTS

**27.10 Currency Hedging Contracts :**

The realized gain or loss in respect of currency hedging contracts, the pricing period of which has expired during the year are recognized in Profit and Loss Statement. However, in respect of contracts, the pricing period of which extends beyond the Balance Sheet date, provisions for net loss on mark to market basis is made.

**27.11** There is no separate reportable segment as per the criteria specified in Accounting Standard (AS) 17 "Segment Reporting" as specified in the Companies (Accounting Standards) Rules, 2006.

**27.12** There are no Micro, Small & Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2014. This information is required to be disclosed under the Micro, Small & Medium enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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

Signatures to Notes 1 to 27.13

In terms of our Report of even date attached.

As per our report annexed

For SINGHI & CO.

Chartered Accountants

Firm Reg. No. 302049E

B.L. Choraria, Partner

M. No. 22973

Place: New Delhi

Dated: 06.06.2014

For and on behalf of the Board

Surinder Kumar Kak

Managing Director

DIN: 00044521

Ummang Mutreja

Company Secretary

R.V. Kanoria

Chairman

DIN: 00003792

## DIRECTORS' REPORT

### TO THE SHAREHOLDERS

The Directors present herewith the 29<sup>th</sup> Annual Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

During the year under review, Company earned net profit after tax of Rs. 14,559 as against Rs. 6,935 in the previous year.

### DIRECTORS

Shri M. L. Agarwal, Director of the Company, retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

### AUDITOR'S REPORT

The observations made by the Auditors in their report are self-explanatory.

### AUDITORS

Messrs Singhi & Co., Chartered Accountants, Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditor of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of next Annual General Meeting. As required under the provisions of Section 141 of the Companies Act, 2013 the Company has obtained a written confirmation from the retiring auditors, to the effect that their re-appointment, if made, shall be within the limits of Section 141(3)(g) of the Companies Act, 2013.

### STATEMENT ON DIRECTOR'S RESPONSIBILITY

A Statement on Director's Responsibility as prescribed under Section 217(2AA) of the Companies Act, 1956 is given here in below:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed;
2. We have selected such accounting policies and applied them consistently and made judgements and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
3. We have 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;
4. We have prepared the annual accounts on a going concern basis.

Place: New Delhi  
Dated: 06.06.2014

For and on behalf of the Board

M. L. Agarwal  
Director  
Din: 00041375

Surinder Kumar Kak  
Director  
Din: 00044521

## INDEPENDENT AUDITOR'S REPORT

**To the Members of KPL Logistics Limited,**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of KPL Logistics Limited, ("the company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating to overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- b. In the case of Statement of Profit and Loss, of the profit for the year ended on that date.

### **Report on the other legal and regulatory requirements**

1. As required by the companies (Auditor's Report) order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statements on the matters specified in the paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the companies Act, 1956.

**For SINGHI & CO.**  
Chartered Accountants  
Firm Reg. no 302049E

**B.L. Choraria**  
Partner  
Membership No. 022973

Place: New Delhi  
Dated: 06<sup>th</sup> June 2014



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

**Re: KPL Logistics Limited**

- (i) The company has no fixed assets; hence clause with respect to fixed assets is not applicable.
- (ii) The company has no inventory; hence clause with respect to inventory is not applicable.
- (iii)
  - a. According to the information and explanations given to us, during the year the Company has not taken / granted any loan secured or unsecured from or to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - b. Since there are no such loans, the comments regarding terms and conditions, repayment of the principal amount & interest thereon and overdue amount are not applicable.
- (iv) The company is not doing any business; hence clause with respect to internal control system is not applicable.
- (v)
  - a. According to the information and explanations provided by the management, there are no contracts or arrangements referred to in Section 301 of the Act that need to be entered into the register maintained under Section 301 of the companies act 1956.
  - b. There is no transaction made in pursuance of such contract or arrangements; hence question of responsibility of price does not arise.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and hence provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed there under with regard to the deposits accepted from the public are not applicable to the company.
- (vii) The clause regarding internal audit is not applicable.
- (viii) There is no production; hence the clause relating to the maintenance of cost records under section 209(1)(d) of the companies Act,1956 is not applicable to the company.
- (ix)
  - a. According to the records of the company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it, with the appropriate authorities and no arrears of outstanding statutory dues existed on 31<sup>st</sup> March 2014 for a period more than six months from the date they become payable.
  - b. According to the records of the Company, there are no dues outstanding of sales tax, income tax, service tax, custom duty, wealth tax, excise duty and cess on account of any dispute.
- (x) The Company has no accumulated losses at the end of the financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has no dues to financial institutions and banks. We have been informed that the Company has not issued any debenture during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended), are not applicable to the Company.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other securities, except that it has investment of long term nature in shares/mutual funds and these are held in the name of the company.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loan taken by others from Bank & Financial Institutions.

- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not obtained any term loan during the year.
- (xvii) According to the information and explanation given to us, on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis.
- (xviii) The Company has maintained register under section 301 and the company has not made preferential allotment of shares during the year to the parties and companies covered in the register under section 301 of the companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year. Hence, question of creation of security or charge does not arise.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, no fraud on or by the Company, noticed or reported during the year.

Place: New Delhi  
Dated: 06<sup>th</sup> June 2014

**For SINGHI & CO.**  
Chartered Accountants  
Firm Reg. no 302049E

**B.L. Choraria**  
Partner  
Membership No.022973

**KPL LOGISTICS LIMITED**  
**BALANCE SHEET**  
**AS AT 31<sup>st</sup> MARCH 2014**

Particulars	Note No.	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	500,000	500,000
(b) Reserves & Surplus	3	114,315	99,756
		<b>614,315</b>	<b>599,756</b>
<b>(2) Current Liabilities</b>			
(a) Other Current Liabilities	4	10,112	10,112
(b) Short-term Provisions	5	3,428	3,103
		<b>13,540</b>	<b>13,215</b>
<b>Total</b>		<b>627,855</b>	<b>612,971</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
Investments	6	584,511	300,001
		<b>584,511</b>	<b>300,001</b>
<b>(2) Current Assets</b>			
(a) Cash and Bank Balances	7	43,344	287,122
(b) Other Current Assets	8	-	25,848
		<b>43,344</b>	<b>312,970</b>
<b>Total</b>		<b>627,855</b>	<b>612,971</b>
<b>Significant Accounting policies</b>	1		
<b>Others Notes to Accounts</b>	11		

The accompanying notes are an integral part of the Financial Statements.

As per our report annexed  
For SINGHI & CO.,  
Chartered Accountants  
Firm Reg. No. 302049E

For and on behalf of the Board

M.L. Agarwal	Surinder Kumar Kak
Director	Director
DIN No. 00041375	DIN No. 00044521

B.L. Choraria  
Partner  
Membership No. 22973  
Place: New Delhi  
Dated: 06.06.2014

**KPL LOGISTICS LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2014**

Particulars	Note No.	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
<b>I. Revenue from Operations</b>			
Revenue from Operations (net)		-	-
<b>II. Other Income</b>	9	29,434	25,579
<b>III. Total Revenue(I+II)</b>		<b>29,434</b>	<b>25,579</b>
<b>IV. Expenses:</b>			
Finance Costs (Bank Charges)		315	65
Other Expenses	10	11,132	15,471
Total Expenses		<b>11,447</b>	<b>15,536</b>
<b>V. Profit before Tax (III-IV)</b>		<b>17,987</b>	<b>10,043</b>
<b>VI. Tax Expense</b>			
Current Tax		3,428	3,103
Provision for Taxation of earlier year Written back		-	5
		<b>3,428</b>	<b>3,108</b>
<b>VII. Profit after Tax for the year (V-VI)</b>		<b>14,559</b>	<b>6,935</b>
<b>Earning per Equity Share (of Rs 10/- each)</b>			
1) <b>Basic (Rs.)</b>		0.29	0.14
2) <b>Diluted (Rs.)</b>		0.29	0.14
<b>Significant Accounting policies</b>	1		
<b>Others Notes to Accounts</b>	11		

The accompanying notes are an integral part of the Financial Statements.

As per our report annexed  
For SINGHI & CO.,  
Chartered Accountants  
Firm Reg. No. 302049E

B.L. Choraria, Partner  
Membership No. 22973  
Place: New Delhi  
Dated: 06.06.2014

For and on behalf of the Board

M.L. Agarwal	Surinder Kumar Kak
Director	Director
DIN No. 00041375	DIN No. 00044521

## NOTES TO FINANCIAL STATEMENTS

### 1 SIGNIFICANT ACCOUNTING POLICIES

1. The Company follows the mercantile system of accounting and recognises income & expenditure on accrual basis. These accounts are prepared on historical cost basis and accounting principles of a going concern.
2. Investments:
 

Long term Investments are stated at cost less provision. The Company provide for diminution other than temporary in the value of long-term Investment. Current Investments are stated at cost or fair value whichever is lower.
3. Taxation:
  - (i) Provision for current Income Tax is made in accordance with the Income Tax Act, 1961. Deferred Tax is measured in accordance with Accounting Standard 22- 'Accounting for Taxes on Income', as specified in the Companies (Accounting Standard) Rule, 2006 issued by Ministry of Corporate Affairs. The deferred tax charge or credit is recognised, subject to consideration of prudence, using substantively enacted tax rates, for timing differences between book and tax profits that originate in one period and are capable of reversal in one or more subsequent periods.
  - (ii) 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. In the year in which minimum alternative tax credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in guidance note issued by The Institute of Chartered Accountants of India, the said asset is created by way of credit to Profit & Loss account. 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.
4. 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.
  - 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.
5. 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 on Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
<b>2 SHARE CAPITAL</b>		
<b>(a) AUTHORISED</b>		
490,000 Equity Shares of Rs. 10/- each	4,900,000	4,900,000
1,000 15% Redeemable Cumulative Preference Shares of Rs. 100/- each	100,000	100,000
	<b>5,000,000</b>	<b>5,000,000</b>
<b>(b) ISSUED ,SUBSCRIBED AND PAID UP</b>		
50,000 Equity Shares of Rs. 10/- each fully paid up	500,000	500,000
	<b>500,000</b>	<b>500,000</b>
<b>(c) Reconciliation of Shares (Nos.)</b>		
Balance as at the beginning of the year	50,000	50,000
Add: Shares allotted during the year	-	-
<b>Balance as at the end of the year</b>	<b>50,000</b>	<b>50,000</b>
<b>(d) Terms/ rights attached to equity shares</b>		
The Company has one class of Equity Share having par value of Rs.10 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.		
<b>(e) 50,000 Nos. of equity shares of the company held by its Holding company (KPL International Limited)</b>		
<b>(f) Details of Share held by shareholders holding more than 5 % of the aggregate shares in the Company:</b>		
<b>Name of shareholder</b>	<b>% of Holding</b>	<b>% of Holding</b>
KPL International Ltd.	100%	100%
	<b>No. of Shares</b>	<b>No. of Shares</b>
KPL International Ltd.	50,000	50,000
	<b>As at 31.03.2014 (Rs.)</b>	<b>As at 31.03.2013 (Rs.)</b>
<b>3 RESERVES &amp; SURPLUS</b>		
<b>(a) CAPITAL REDEMPTION RESERVE</b>		
Balance as at the beginning of the year	4,500	4,500
Less: Utilised for issue of bonus shares	-	-
Balance as at the end of the year	<b>4,500</b>	<b>4,500</b>
<b>(b) SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>		
Balance as at the beginning of the year	95,256	88,321
Profit for the year	14,559	6,935
Balance as at the end of the year	<b>109,815</b>	<b>95,256</b>
<b>Total Reserve and Surplus</b>	<b>114,315</b>	<b>99,756</b>

## NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2014 (Rs.)	As at 31.03.2013 (Rs.)
<b>4 OTHER CURRENT LIABILITIES</b>		
Expenses Payable	10,112	10,112
<b>5 SHORT TERM PROVISIONS</b>		
Other Provisions:		
For Taxation (Net of Advance Tax)	3,428	3,103
	<b>3,428</b>	<b>3,103</b>
<b>6 NON CURRENT INVESTMENTS</b>		
Non Trade Investment (Value at cost unless stated otherwise)		
(a) Investment in Mutual Fund – Birla Sunlife	584,510	300,000
(b) Investment in Unquoted Equity Shares Suprawin Technologies Ltd. (10 Shares of F.V. of Rs. 10 each)	1	1
	<b>584,511</b>	<b>300,001</b>
<b>7 CASH AND BANK BALANCES</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
(a) Cash on hand	4,698	4,698
(b) Balances with Scheduled Banks		
In Current Account	38,646	12,424
(c) FDR (Bank of India)	-	270,000
	<b>43,344</b>	<b>287,122</b>
<b>8 OTHER CURRENT ASSETS</b>		
Unsecured, Considered Good		
(a) Accrued Interest	-	23,268
(b) Tax Deducted at Source	-	2,580
	-	<b>25,848</b>
	<b>For the year ended 31.03.2014 (Rs.)</b>	<b>For the year ended 31.03.2013 (Rs.)</b>
<b>9 OTHER INCOME</b>		
(a) Interest Income	204	25,579
(b) Profit on sale of Mutual Fund	29,230	-
	<b>29,434</b>	<b>25,579</b>
<b>10 OTHER EXPENSES</b>		
(a) Filing Fees	1,020	4,257
(b) Audit Fee	10,112	10,112
(c) General Expenses	-	1,102
	<b>11,132</b>	<b>15,471</b>
<b>11 OTHER NOTES TO ACCOUNTS</b>		
11.1 Related Party Disclosure		
Following are the particulars regarding related parties:		
KPL International Ltd. – Holding Company		
No transactions were carried out during the year with the related parties in the ordinary course of business		
11.2 The company is eligible for MAT Credit Entitlement amounting to Rs. 3428/- relating to assessment year 2014-15, which shall be available for set off against future tax liability for next ten assessment years. As a prudent measure, the company has not accounted for above MAT Credit Entitlement		
11.3 Earning Per Share		
Profit after tax	14,559	6,935
No. of ordinary shares	50,000	50,000
Earning per share Basic and Diluted	0.29	0.14
Previous Year figures have been regrouped and rearranged where ever required.		

Signatures to Notes 1 to 11  
In terms of our Report of even date annexed

As per our report annexed  
For SINGHI & CO.,  
Chartered Accountants  
Firm Reg. No. 302049E

For and on behalf of the Board

M.L. Agarwal Director DIN No. 00041375	Surinder Kumar Kak Director DIN No. 00044521
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B.L. Choraria  
Partner  
M. No. 22973  
Place: New Delhi  
Dated: 06.06.2014