



KPL INTERNATIONAL LIMITED

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# Annual Report

## 2014-15

*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  
VAIDEHI KANORIA  
ROHIT MUNDRA  
VINAY KUMAR BAGLA  
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**

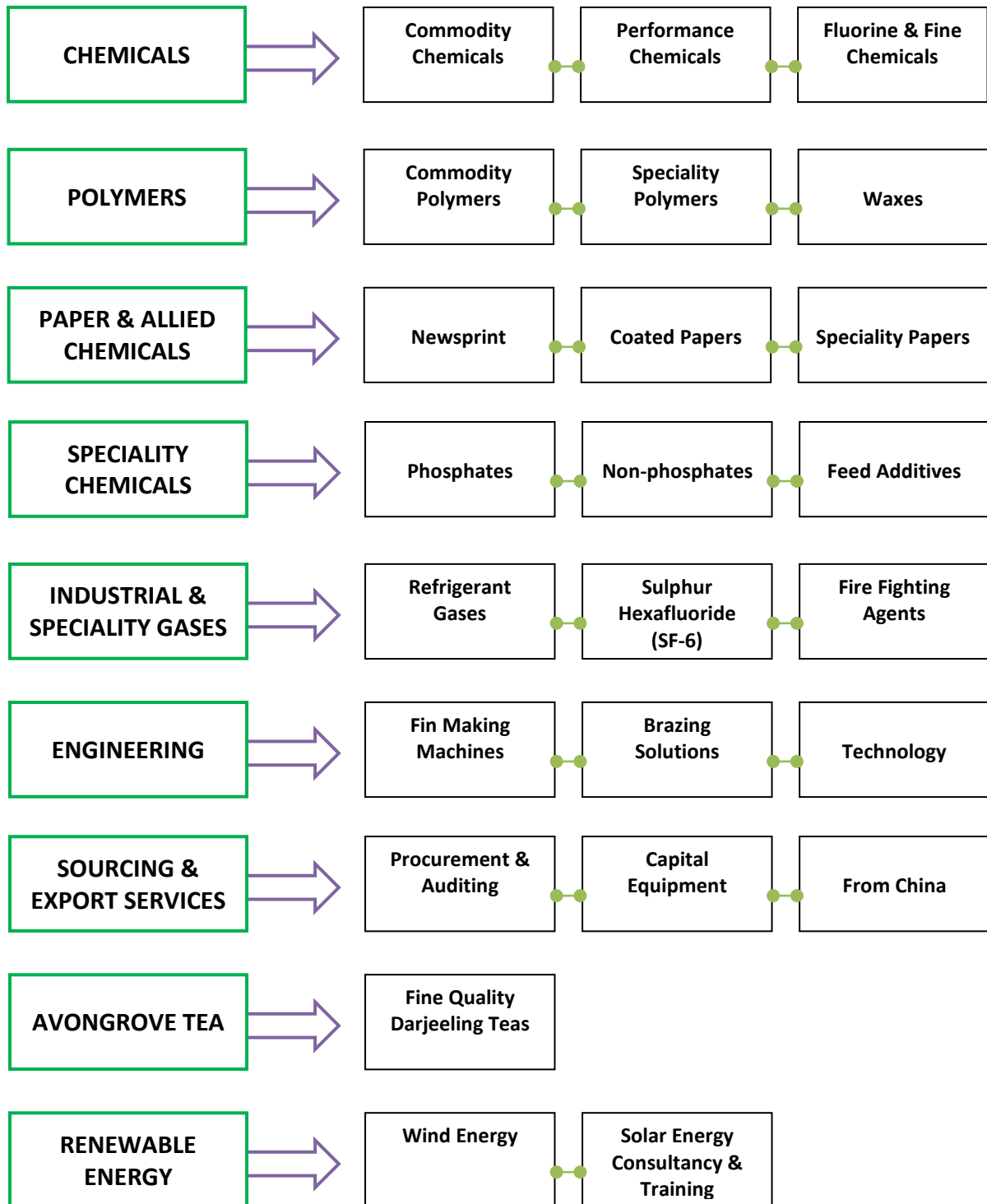
Statesman House  
10<sup>th</sup> Floor, A-Wing  
148, Barakhamba Road  
New Delhi - 110 001  
Phone: +91 11 43606200  
Fax: +91 11 23355824  
Email: info@kplintl.com  
Website: www.kplintl.com

**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

# 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.

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 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-Cert GmbH, 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 41<sup>st</sup> Annual Report together with Audited Annual Accounts of the Company for the year ended on 31<sup>st</sup> March, 2015.

### FINANCIAL HIGHLIGHTS

During the year under review, the profit after tax was Rs. 1,006.08 Lakhs as against Rs. 1,130.70 Lakhs in the previous year. The turnover was Rs. 21,156.03 Lakhs as against Rs. 28,451.02 Lakhs in the previous year. The income from commission was Rs. 1,692.68 Lakhs as against Rs. 1,805.56 Lakhs in previous year.

### WORKING RESULT

(Rs. in lakhs)

Profit before Interest, Depreciation & Tax	1,828.90
Less: Interest	22.93
Depreciation	291.58
Provision for Taxation (Including Deferred Tax)	508.31

Profit for the year	1,006.08
Add: Balance as per last account	4,989.45
	-----
	5,995.53
	-----

### APPROPRIATIONS

Proposed Dividend on Equity Shares	606.40
Dividend Distribution Tax	123.45
Transfer to General Reserve	2,500.00
Balance carried to Balance Sheet	2,765.68
	-----
	5,995.53
	-----

### OPERATIONAL REVIEW

The Company values the relationships developed and nurtured over the years with its business associates. This has helped the Company in maintaining its position, as one of the leading Indenting and Distribution Companies in India mainly for Chemicals and Polymers.

The turnover during the year was Rs. 21,156.03 Lakhs as against Rs. 28,451.02 Lakhs in the previous year. The reduction in turnover was mainly due to reduced sale of crude based products arising out of volatility and steep fall in crude oil prices as well as volatility in the exchange rate. Despite this, the Company has been able to achieve a profit before tax of Rs. 1,514.39 Lakhs as against Rs. 1,718.20 Lakhs in the previous year. The business fundamentals are improving and there is less volatility which is likely to translate into better profits in the current year.

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 fair-trade from Flo-Cert GmbH, Germany.

#### **MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the Company.

#### **TRANSFER TO RESERVES**

An amount of Rs. 2,500 Lakhs has been transferred to the General Reserves.

#### **DIVIDEND**

The Board of Directors recommends a dividend @ Rs. 4000/- per equity share of Rs. 1000/- each for the year ended on 31<sup>st</sup> March, 2015 for consideration of shareholders at the ensuing Annual General Meeting.

#### **CONSOLIDATED FINANCIAL STATEMENT**

In accordance with the Companies Act, 2013 and accordance with AS 21, the audited Consolidated Financial Statement has been annexed with the Annual Report.

#### **DIRECTORS**

Shri Saumya Vardhan Kanoria and Tulsi Das Bahety, Directors of the Company, retiring by rotation, at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Shri Jagdish Prasad Sonthalia resigned from the Board during the year.

Pursuant to the provisions of Section 161(1) of Companies Act, 2013 and the Articles of Association of the Company, Shri Vinay Kumar Bagla and Shri Rohit Mundra were appointed as an Additional Director cum Independent Director and Smt. Vaidehi Kanoria as Additional Director w.e.f 31.03.2015. They shall hold office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from members proposing appointment of Smt. Vaidehi Kanoria, Shri Vinay Kumar Bagla and Shri Rohit Mundra as Directors of the Company.

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 2014-15, the Company held five meetings of the Board of Directors on 6th June 2014, 12th August 2014, 6th September 2014, 26th December 2014 and 31st March, 2015.

#### **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 are in compliance with the 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 are 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, Shri Tulsi Das Bahety, Director and Shri Vinay Kumar Bagla, Independent Director of the Company. The Committee's constitution, terms of reference and role are 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**

KPL Logistics Limited is a wholly owned subsidiary of the Company. A statement containing salient features of the financial statement of Subsidiary in Form AOC-1 is annexed as per Annexure – II forming part of this report. The statement also provides the details of performance, financial position of the 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. During the year, the Company had not entered into any contract/ arrangement with related parties which are material as per the provisions of Section 188 of the Companies Act, 2013.

#### **STATUTORY AUDITORS & THEIR REPORT**

M/s Singhi & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. 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. The observations made by the Auditors of the Company in their report are in the nature of general disclosure and are self explanatory.

#### **SECRETARIAL AUDITORS & THEIR REPORT**

The Board has appointed M/s Abhishek Mittal & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as Annexure V 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.

## **PARTICULARS OF REMUNERATION**

As required under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees receiving remuneration above prescribed threshold are set out in the annexure - III forming part of this report.

## **EXTRACT OF ANNUAL RETURN**

Extract of the Annual Return of the Company as on the financial year ended 31st March, 2015 as per Annexure IV forming part of this report.

## **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.

## **FIXED DEPOSITS**

The company has not accepted any fixed deposits from the public during the year and there is no sum remaining unpaid and unclaimed at the end of the year.

## **OTHER INFORMATION**

As per company's regular policy, the Company continues to give high priority 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. 27.07 & 27.08 in Other Notes to Accounts.

## **QUALITY MANAGEMENT SYSTEM**

The Company is effectively maintaining the Quality system as per the requirements of ISO 9001:2008, 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, 2<sup>nd</sup> Floor,  
'Indraprakash'  
21, Barakhamba Road,  
New Delhi 110 001

Dated: 16.06.2015

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

CSR Initiatives taken by the Company during the year includes woman empowerment and promotion of vocational skills as well as promotion of education.

CSR Policy of the Company is available on the Company's website ([www.kplintl.com/investors](http://www.kplintl.com/investors)).

2. Composition of CSR Committee

Name of the member	Designation
Shri Vinay Kumar Bagla	Independent Director
Shri Surinder Kumar Kak	Managing Director
Shri Tulsi Das Bahety	Director

3. Average net profit of the company for last three financial years:

Average Net Profit – Rs. 189,786,618.

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above)

Total amount required to spend - Rs. 3,795,732.

5. Details of CSR spend for the financial year:

- a) Amount spent for the financial year: Rs. 35,66,910  
(out of Rs. 40 Lakhs contributed by the Company)
- b) Amount unspent, if any: Rs. 2,28,822. This amount shall be spent in F.Y 2015-16.
- c) Manner in which the amount spent during the financial year: Detailed below:

(1) S.No	(2) CSR project or activity identified	(3) Sector in which the project is covered	(4) Projects or programs (i) Local area or other (ii) Specify the state and district where project or programs was undertaken	(5) Amount outlay (budget) project or program wise (Rs.)	(6) Amount spent on the project or programs Sub heads: (i) Direct expenditure on project (ii) Overheads	(7) Cumulative expenditure up to the reporting period	(8) Amount spent: Direct or through implementing agency*
1.	HUNAR – Empowering Woman through Skills	Woman Empowerment & Promotion of Vocational Skills	All over Delhi	20,76,400	20,76,400	20,76,400	A Trust
2.	KOSHISH - Skilling and Empowering Woman with Disabilities	Woman Empowerment & Promotion of Vocational Skills	All over Delhi	1,50,000	1,50,000	1,50,000	A Trust
3.	Scholarship for Diploma in Travel Management for women	Woman Empowerment & Promotion of Vocational Skills	All over Delhi	1,78,500	1,78,500	1,78,500	A Trust
4.	Scholarship for Diploma Apparel Designing for Woman	Woman Empowerment & Promotion of Vocational Skills	All over Delhi	22,000	22,000	22,000	A Trust
5.	Scholarship for Educational Promotion	Promotion of Education	All over India	1,40,010	1,40,010	1,40,010	A Trust
			Total	25,66,910	25,66,910	25,66,910	

Additionally, the Company has contributed Rs. 10 lacs towards the corpus of the Trust which shall be exclusively used for CSR activities covered in Schedule VII of the Act.

Place: New Delhi  
Date: 16.06.2015

Surinder Kumar Kak  
Managing Director &  
Chairman CSR Committee

## FORM AOC – 1

(Pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part “A”; Subsidiary – KPL Logistics Limited**

S. No	Information	Amount (Rs.)
1.	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	Same as that of Holding Company
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	NA
3.	Share Capital	5,00,000
4.	Reserves & Surplus	98,357
5.	Total assets	6,08,469
6.	Total liabilities	10,112
7.	Investments	5,84,511
8.	Turnover	Nil
9.	Profit before taxation	(15,958)
10.	Proposed dividend	Nil
11.	% of Shareholding	100%

Additional Information:

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year. - NA

**PART “B”: Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate/ Joint Ventures	NA
Latest audited Balance Sheet Date	NA
Shares of Associate/ Joint Ventures held by the Company on the year end	NA
No.	NA
Amount of investment in Associates/ Joint Venture	NA
Extent of Holding %	NA
3. Description of how there is significant influence	NA
4. Reason why the associate/ joint venture is not consolidated	NA
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	NA
6. Profit/ Loss for the year	NA
i. Considered in consideration	NA
ii. Not considered in consideration	NA

Additional Information:

- Names of associates or joint ventures which are yet to commence operations - NA
- Names of associates or joint ventures which have been liquidated or sold during the year - NA

Place: New Delhi  
Dated: 16.06.2015

For and on behalf of the Board

R. V. Kanoria  
Chairman  
Din: 00003792

**ANNEXURE TO THE DIRECTOR'S REPORT**

**Particulars of employee pursuant to Rule 5(2) of Directors Appointment and Remuneration) Rules, 2014, forming part of the Director's Report for the year ended 31st March, 2015.**

<b>Name</b>	<b>Designation</b>	<b>Remuneration (Rs.)</b>	<b>Qualification</b>	<b>Age (years)</b>	<b>Experience (years)</b>	<b>Date of Joining</b>	<b>Last Employment</b>
Shri S.K. Kak	Managing Director	85,58,874	B.A., PG in Business Management	59	33	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: 16.06.2015

For and on behalf of the Board

R. V. Kanoria  
Chairman  
Din: 00003792

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**As on the financial year ended on 31<sup>st</sup> March, 2015

[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, 1 <sup>st</sup> 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	90%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S.No	Name and Address of the Company	CIN/GLN	Holding/Subsidiary Company	% of shares held	Applicable Section
1	M/s KPL Logistics Limited	U25209DL1985PLC042111	SUBSIDIARY COMPANY	100%	2(87)
2.	M/s Vardhan Finvest Limited	U74140WB2006PLC108600	HOLDING COMPANY	93.25	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)***i) 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	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/HUF	97	872	969	6.39	89	872	961	6.34	0.05
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	14113	14113	93.09	Nil	14136	14136	93.25	0.15
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1):-</b>	<b>97</b>	<b>14985</b>	<b>15082</b>	<b>99.48</b>	<b>89</b>	<b>15008</b>	<b>15097</b>	<b>99.59</b>	<b>0.11</b>

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	
<b>2. Foreign</b>									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	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
<b>Sub-total (A) (2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>97</b>	<b>14985</b>	<b>15082</b>	<b>99.48</b>	<b>89</b>	<b>15008</b>	<b>15097</b>	<b>99.59</b>	<b>0.11</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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
<b>Sub-total (B)(1):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
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 up to Rs. 1 lakh	40	38	78	0.52	36	27	63	0.41	0.11
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2):-</b>	<b>40</b>	<b>38</b>	<b>78</b>	<b>0.52</b>	<b>36</b>	<b>27</b>	<b>63</b>	<b>0.41</b>	<b>0.11</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>40</b>	<b>38</b>	<b>78</b>	<b>0.52</b>	<b>36</b>	<b>27</b>	<b>63</b>	<b>0.41</b>	<b>0.11</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Grand Total (A+B+C)</b>	<b>137</b>	<b>15023</b>	<b>15160</b>	<b>100</b>	<b>125</b>	<b>15035</b>	<b>15160</b>	<b>100</b>	<b>Nil</b>

**ii) Shareholding of Promoters**

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			Shares of % change in shareholding 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	0.1	Nil	15	0.1	Nil	Nil
2.	Anand Vardhan Kanoria	436	2.87	Nil	436	2.87	Nil	Nil
3.	Madhuvanti Kanoria	59	0.39	Nil	59	0.39	Nil	Nil
4.	Saumya Vardhan Kanoria	15	0.1	Nil	15	0.1	Nil	Nil
5.	Saumya Vardhan Kanoria	436	2.87	Nil	436	2.87	Nil	Nil

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			Shares of % change in shareholding 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	
6.	Anuja Tantia	8	0.05	Nil	Nil	Nil	Nil	0.05
7.	Vardhan Finvest Limited	14108	93.06	Nil	14131	93.21	Nil	0.15
8.	Vardhan Finvest Limited with S. N. Patiodia	1	0.01	Nil	1	0.01	Nil	Nil
9.	Vardhan Finvest Limited with S. K. Kak	1	0.01	Nil	1	0.01	Nil	Nil
10.	Vardhan Finvest Limited with Sandeep Soni	1	0.01	Nil	1	0.01	Nil	Nil
11.	Vardhan Finvest Limited with M. L. Agarwal	1	0.01	Nil	1	0.01	Nil	Nil
12.	Vardhan Finvest Limited with Rajeev Datta	1	0.01	Nil	1	0.01	Nil	Nil
	<b>Total</b>	<b>15082</b>	<b>99.49</b>		<b>15097</b>	<b>99.59</b>		<b>0.1</b>

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

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.	Vardhan Finvest Limited				
	At the beginning of the year	14113	93.09	14113	93.09
	20.08.2014 Transfer	(+)1	0.01	14114	93.10
	21.08.2014 Transfer	(+)1	0.01	14115	93.11
	06.09.2014 Transfer	(+)4	0.03	14119	93.14
	29.09.2014 Transfer	(+)1	0.01	14120	93.15
	13.11.2014 Transfer	(+)6	0.04	14126	93.19
	26.12.2014 Transfer	(+)8	0.05	14134	93.24
	31.03.2015 Transfer	(+)2	0.01	14136	93.25
	At the End of the year			14136	93.25

**iv) 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		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	0.05	8	0.05
2	Chirayush Pravin Vakil	6	0.04	6	0.04
3	Renu Gupta	5	0.03	5	0.03
4	R G Nayak	5	0.03	5	0.03
5	G Gurumanickam	4	0.03	4	0.03
6	Suresh Kumar	3	0.02	3	0.02
7	Ashok Kumar Verma	2	0.01	2	0.01
8	Gulshan Lal	2	0.01	2	0.01
9	Jayantilal Khetshi Shah	2	0.01	2	0.01
10	Pushpinder Kaur Dhillon	2	0.01	2	0.01



**v) 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	2.97	451	2.97
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	---	---	---	---
	At the end of the year	451	2.97	451	2.97
2	Saumya Vardhan Kanoria				
	At the beginning of the year	451	2.97	451	2.97
	Date wise Increase/ Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease	---	---	---	---
	At the end of the year	451	2.97	451	2.97

**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	294.09	Nil	Nil	294.09
ii) Interest due but not paid	---	Nil	Nil	---
iii) Interest accrued but not due	---	Nil	Nil	---
<b>Total (i+ii+iii)</b>	<b>294.09</b>	Nil	Nil	<b>294.09</b>
<b>Change in Indebtedness during the financial year</b>		Nil	Nil	
Addition	6,564.58	Nil	Nil	6,564.58
Reduction	5,272.01	Nil	Nil	5,272.01
<b>Net Change</b>	<b>1,292.57</b>	Nil	Nil	<b>1,292.57</b>
<b>Indebtedness at the end of the financial year</b>		Nil	Nil	
i) Principal Amount	1,584.87	Nil	Nil	1,584.87
ii) Interest due but not paid	---	Nil	Nil	---
iii) Interest accrued but not due	1.79	Nil	Nil	1.79
<b>Total (i+ii+iii)</b>	<b>1,586.66</b>	Nil	Nil	<b>1,586.66</b>

**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 (in Rs.)
	Surinder Kumar Kak - Managing Director	
1.	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,09,670
(b)	Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission - as % of profit	28,39,604
5.	Others, please specify	3,09,600
	<b>Total (A)</b>	<b>85,58,874</b>
	Ceiling as per the Act	5% of the profits calculated under Section 198 of the Companies Act, 2013

*B. Remuneration to other Directors: (Amount in Rs.)*

Sl. No.	Particulars of Remuneration	Name of Director			
		Rajya Vardhan Kanoria	Anand Vardhan Kanoria	Saumya Vardhan Kanoria	Tulsi Das Bahety
1	Independent Directors Fee for attending board / committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors				
	Fee for attending board / committee meetings	25000	15000	25000	15000
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	Total (2)	25000	15000	25000	15000
	Total (B)=(1+2)	25000	15000	25000	15000
	Total Managerial Remuneration	25000	15000	25000	15000
	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
		<b>NOT APPLICABLE</b>		
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 - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (C)	Nil	Nil	Nil

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

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**For the financial year ended on 31<sup>st</sup> March, 2015**

**[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 – 110 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 ("Audit Period) complied with the statutory provisions listed hereunder and also that the Company has 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 31<sup>st</sup> March, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;  
During the period under review, the Company has complied with the provisions of the aforesaid Act and the rules made thereunder except the following:
  - (a) The Company has filed Form MGT-14 on 10th June 2015 in respect of MBP-1 dated 25th November, 2014 received from a Director, with Registrar of Companies, NCT of Delhi & Haryana.
  - (b) The appointment of Auditor in the last Annual General Meeting held on 18th September, 2014 has been done for one Financial year.
- (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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (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
2. Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations 2011
3. Drugs and Cosmetics Act, 1940 and Rules made thereunder
4. Gas Cylinder Rules 2004
5. Indian Explosives Act 1884
6. Static & Mobile Pressure Vessel (Unfired) Rules, 1981
7. Tea (Marketing) Control Order, 2003
8. Tea (Distribution & Export) Control Order 2005

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis and as per the representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations noted against (i) above.

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 issued by The Institute of Company Secretaries of India. - During the period under review, ICSI had not issued Secretarial Standards corresponding with reference to the provisions of the Companies Act, 2013;
- (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.

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, 2015. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice 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 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.

We further report that during the audit period except the following events:

- (i) Re-appointment of Managing Director for a period of 3 years w.e.f. 01st September, 2014 and revised his remuneration by passing a Special Resolution in the Annual General Meeting held on 18th September, 2014.
- (ii) Passing of Special Resolution in pursuance to Section 180(1) (a) of the Companies Act, 2013 in the Annual General Meeting held on 18th September, 2014.
- (iii) Transfer of unclaimed and unpaid dividend relating to Financial year 2006-07 to Investor Education Protection Fund;

There were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, having a major bearing on the Company's Affairs.

We further report that the compliance by the Company of applicable labour laws and financial laws, like direct and indirect tax laws and financial accounts, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

Place: New Delhi  
Date: 16/06/2015

For Abhishek Mittal & Associates

(CS Abhishek Mittal)  
Practising Company Secretary  
M. No. : F7273 C. P. No. : 7943

This report is to be read with our letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

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**"ANNEXURE A"**

To,  
The Members,  
KPL International Limited  
(CIN: U23209DL1974PLC029068)  
212A, 216 & 222, 2nd Floor  
Indraprakash, 21, Barakhamba Road  
New Delhi – 110 001

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.

Place: New Delhi  
Date: 16/06/2015

For Abhishek Mittal & Associates

(CS Abhishek Mittal)  
Practising Company Secretary  
M. No. : F7273 C. P. No. : 7943

# INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying standalone financial statements of **KPL International Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the 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 on the standalone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matters**

We draw attention to the following matter in the Notes to the financial statements:

- a. Note 26.02 to the financial statements, pertaining to trade receivables under litigation.

Our opinion is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from other branches/depots not visited by us.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 26.01 (b) 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 & Protection Fund by the company.

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

Place: New Delhi  
Date: 16<sup>th</sup> June, 2015

**B.L. Choraria**  
Partner  
Membership No. 22973

## 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 is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As informed to us, the company has a phased programme of physical verification of its fixed assets, which in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. Management has physically verified certain fixed assets during the year and as informed to us, no material discrepancies were noticed as compared to books of accounts.
- (ii) a. As explained to us, inventories were physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 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 physical verification.
- (iii) The Company has not granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the requirements of clauses (iii) (a) to (b) of the paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an 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) 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 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 generally regular in depositing material undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, service tax, wealth tax, custom duty, excise duty, income tax, cess and other statutory dues applicable to it with the appropriate authorities. There was no material 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, excise duty and cess on account of any dispute, other than the following:

Nature of Dues	Amount Involved (Rs.)	Amount paid under Protest (Rs.)	Forum where the dispute is pending
Sales Tax ( including Penalty of Rs. 5303960)	88,39,933	--	High Court

- c. During the year unclaimed dividend amounting to Rs. 6,055 has been transferred to Investor Education and Protection Fund with in the due date in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.



- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash loss in the current year or in the immediately preceding financial year.
- (ix) 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.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution, the terms and conditions whereof are prejudicial to the interest of the company.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed during the year by the Company were, prima facie, applied by the Company for the purpose for which loans were obtained.
- (xii) 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, has been noticed or reported during the year.

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

Place: New Delhi  
Date: 16<sup>th</sup> June, 2015

**B.L. Choraria**  
Partner  
Membership No. 22973

**KPL INTERNATIONAL LIMITED**  
**BALANCE SHEET**  
**AS AT 31<sup>ST</sup> MARCH 2015**

Particulars	Note No.	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	15,186,500	15,186,500
(b) Reserves and Surplus	3	588,582,980	562,104,016
		<b>603,769,480</b>	<b>577,290,516</b>
<b>(2) Non-current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	4	1,658,945	9,244,440
(b) Other Long-term Liabilities	5	2,372,959	3,187,725
(c) Long-term Provisions	6	8,849,458	7,041,177
		<b>12,881,362</b>	<b>19,473,342</b>
<b>(3) Current Liabilities</b>			
(a) Short-term Borrowings	7	158,487,437	29,409,098
(b) Trade Payables	8	307,540,885	229,227,470
(c) Other Current Liabilities	9	79,748,416	44,532,665
(d) Short-term Provisions	6	132,983,790	111,990,373
		<b>678,760,528</b>	<b>415,159,606</b>
<b>TOTAL</b>		<b>1,295,411,370</b>	<b>1,011,923,464</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		274,137,796	287,547,128
(ii) Intangible Assets		17,303,338	22,853,980
		291,441,134	310,401,108
(b) Non-current Investments	11	48,528,539	37,627,634
(c) Long-term Loans & Advances	12	3,599,545	7,027,599
		<b>343,569,218</b>	<b>355,056,341</b>
<b>(2) Current Assets</b>			
(a) Inventories	13	203,000,572	158,324,674
(b) Trade Receivables	14	413,716,072	351,733,271
(c) Cash and Cash Equivalents	15	191,746,987	56,751,550
(d) Short-term Loans & Advances	12	137,068,201	85,018,340
(e) Other Current Assets	16	6,310,320	5,039,288
		<b>951,842,152</b>	<b>656,867,123</b>
<b>TOTAL</b>		<b>1,295,411,370</b>	<b>1,011,923,464</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.

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

For and on behalf of the Board

For SINGHI & CO.

Chartered Accountants  
Firm Reg. No. 302049E

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

R.V. Kanoria  
Chairman  
DIN: 00003792

B.L. Choraria, Partner  
Membership No. 22973

M.L. Agarwal  
Chief Financial Officer

Ummang Mutreja  
Company Secretary

Place: New Delhi  
Dated: 16.06.2015

**KPL INTERNATIONAL LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

Particulars	Note No.	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
<b>I. Revenue from Operations (Net)</b>	17	2,286,163,173	3,023,809,007
<b>II. Other Income</b>	18	40,702,521	31,747,753
<b>III. Total Revenue(I+II)</b>		<b>2,326,865,694</b>	<b>3,055,556,760</b>
<b>IV. Expenses:</b>			
Cost of Materials Consumed	19	8,298,514	30,439,754
Purchases of Stock-in-Trade	20	1,920,129,610	2,563,357,636
Change in Inventories of finished goods, work-in-progress and Stock-in-Trade	21	(43,292,962)	7,870,953
Employee Benefits Expense	22	113,912,312	106,700,669
Finance Costs	23	9,711,495	11,512,177
Depreciation & Amortization Expenses	24	29,157,558	24,695,329
Other Expenses	25	137,510,633	139,160,208
<b>Total Expenses</b>		<b>2,175,427,160</b>	<b>2,883,736,726</b>
<b>V. Profit before Tax (III-IV)</b>		<b>151,438,534</b>	<b>171,820,034</b>
<b>VI. Tax Expense</b>			
(a) Current Tax		57,100,000	56,700,000
(b) Deferred Tax		(6,996,380)	1,240,414
(c) Provision for Taxation of earlier year		727,026	809,718
		<b>50,830,646</b>	<b>58,750,132</b>
<b>VII. Profit for the Period (V-VI)</b>		<b>100,607,888</b>	<b>113,069,902</b>
<b>Earning per Equity Share of Rs 1000/- each</b>	27.09		
Basic & Diluted		6,636	7,458
<b>Significant Accounting policies</b>	1		
<b>Other Notes to Accounts</b>	27		

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

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

For and on behalf of the Board

For SINGHI & CO.

Chartered Accountants  
Firm Reg. No. 302049E

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

R.V. Kanoria  
Chairman  
DIN: 00003792

B.L. Choraria, Partner  
Membership No. 22973

M.L. Agarwal  
Chief Financial Officer

Ummang Mutreja  
Company Secretary

Place: New Delhi  
Dated: 16.06.2015

**KPL INTERNATIONAL LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and exceptional items	<b>151,438,534</b>	<b>171,820,034</b>
Adjustments for:		
Depreciation & Amortisation	29,157,558	24,695,329
Sundry Balances Written off	288,521	843,020
(Profit) / Loss on Sale of Fixed Assets	(493,614)	(1,823,526)
Interest	2,292,989	2,378,219
Net Provision	11,350,874	(898,918)
Dividend Income from Investments	(1,388,653)	(34,007)
Income from Portfolio Investments	(335,946)	(326,886)
Liability no longer required written back	(573,561)	(1,184,394)
Interest Income	(13,986,895)	(10,154,542)
Unrealised Foreign Exchange Fluctuation(NET)	7,530,219	(1,331,884)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>185,280,026</b>	<b>183,982,445</b>
(Increase) / Decrease in Sundry Debtors	(77,502,717)	(48,067,097)
(Increase) / Decrease in Inventories	(44,675,898)	8,398,318
(Increase) / Decrease in Loan & Advances	(49,036,106)	(5,772,181)
(Increase) / Decrease in Liabilities	111,993,496	(168,238,530)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>126,058,801</b>	<b>(29,697,045)</b>
Income Tax Paid	56,386,121	59,124,548
<b>CASH FROM OPERATING ACTIVITIES BEFORE PRIOR PERIOD ITEMS</b>	<b>69,672,680</b>	<b>(88,821,593)</b>
Prior Period Items	-	-
<b>NET CASH GENERATED FROM OPERATIONS</b>	<b>69,672,680</b>	<b>(88,821,593)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(12,990,494)	(72,618,750)
Purchase of Investments (Net)	(10,900,905)	69,421,539
Dividend and Interest Income from Investments	13,562,329	18,776,373
Income from Portfolio Investments	335,946	326,886
Net Proceeds from Sale of Fixed Assets	1,553,325	2,203,613
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(8,439,799)</b>	<b>18,109,661</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowing from Bank	129,078,338	8,835,526
Interest Paid	(2,114,401)	(2,378,219)
Dividend Paid	(53,209,326)	(35,472,887)
<b>NET CASH USED/FROM FINANCING ACTIVITIES</b>	<b>73,754,611</b>	<b>(29,015,580)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>134,987,492</b>	<b>(99,727,512)</b>
Cash and cash equivalent as at 31.03.2014	56,622,580	156,350,092
Cash and cash equivalent as at 31.03.2015	191,610,072	56,622,580
Cash and Cash equivalents includes		
Cash and Bank Balances	191,746,987	56,751,550
Less: Unpaid Dividend	136,915	128,970
<b>Cash and Cash Equivalents</b>	<b>191,610,072</b>	<b>56,622,580</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.

This is the Cash Flow Statement referred to in our report of even date.  
For SINGHI & CO.

Chartered Accountants  
Firm Reg. No. 302049E

B.L. Choraria, Partner  
Membership No. 22973

Place: New Delhi  
Dated: 16.06.2015

For and on behalf of the Board

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

R.V. Kanoria  
Chairman  
DIN: 00003792

M.L. Agarwal  
Chief Financial Officer

Ummang Mutreja  
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 respects 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 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 uncertainty involved.
- iii) Income on Portfolio Investment is recognised on realisation basis.
- iv) 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 under the duty drawback scheme 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 comprises purchase price and directly attributable costs of bringing the assets to its working condition for the intended use.
- ii) 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.

#### 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

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.

## NOTES TO FINANCIAL STATEMENTS

### 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 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) 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 31.03.2015 (Rs.)	As at 31.03.2014 (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	<u>300,000</u>	<u>300,000</u>		
	<b>100,000,000</b>	<b>100,000,000</b>		
<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)	<u>26,500</u>	<u>26,500</u>		
	<b>15,186,500</b>	<b>15,186,500</b>		
<b>(d) Reconciliation of Equity Shares (Nos.)</b>				
Balance as at the beginning of the year	<u>15,160</u>	<u>15,160</u>		
<b>Balance as at the end of the year</b>	<b>15,160</b>	<b>15,160</b>		
<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) 14,136 (Previous Year 14,113) Nos. of equity shares of the company held by its Holding company 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 31.03.2015</b>		<b>As at 31.03.2014</b>	
<b>Name of shareholder</b>	<b>Nos.</b>	<b>% of Holding</b>	<b>Nos.</b>	<b>% of Holding</b>
Vardhan Finvest Limited	14,136	93.25	14,113	93.09
	<b>As at 31.03.2015 (Rs.)</b>		<b>As at 31.03.2014 (Rs.)</b>	
<b>3. RESERVES &amp; SURPLUS</b>				
<b>(a) CAPITAL REDEMPTION RESERVE</b>				
Balance as at the beginning of the year	<u>4,750</u>		<u>4,750</u>	
<b>Balance as at the end of the year</b>	<b>4,750</b>		<b>4,750</b>	
<b>(b) GENERAL RESERVE</b>				
Balance as at the beginning of the year	63,154,000		51,754,000	
Add: Transfer from Surplus in Statement of Profit and Loss during the year	250,000,000		11,400,000	
Less: Depreciation*	<u>1,144,087</u>		<u>-</u>	
<b>Balance as at the end of the year</b>	<b>312,009,913</b>		<b>63,154,000</b>	
* Being the carrying amount of assets acquired prior to 1st April 2014 and whose remaining useful life as per schedule II of the Companies Act, 2013 was nil as on 31st March 2014.				
<b>(c) SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>				
Balance as at the beginning of the year	498,945,266		450,484,690	
Profit for the year	100,607,888		113,069,902	
Less: Appropriations	60,640,000		45,480,000	
Proposed Dividend on Equity Shares	12,344,837		7,729,326	
Dividend Distribution Tax	250,000,000		11,400,000	
Transfer to General Reserve	<u>276,568,317</u>		<u>498,945,266</u>	
<b>Balance as at the end of the year</b>	<b>276,568,317</b>		<b>498,945,266</b>	
<b>Total</b>	<b>588,582,980</b>		<b>562,104,016</b>	

## NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)		
<b>4. DEFERRED TAX LIABILITIES (NET)</b>				
Deferred Tax Liability				
Difference between written down value of block of assets as per income tax laws and book written down value of the fixed assets	10,427,394	12,599,200		
Less: Depreciation*	589,115	-		
	<b>9,838,279</b>	<b>12,599,200</b>		
Deferred Tax Assets				
Employee Benefits	3,973,293	3,086,053		
Others	4,206,041	268,707		
	<b>8,179,334</b>	<b>3,354,760</b>		
	<b>1,658,945</b>	<b>9,244,440</b>		
* Being the carrying amount of assets acquired prior to 1st April 2014 and whose remaining useful life as per schedule II of the Companies Act, 2013 was nil as on 31st March 2014.				
<b>5. OTHER LONG-TERM LIABILITIES</b>				
Security Deposits	2,372,959	3,187,725		
	<b>2,372,959</b>	<b>3,187,725</b>		
<b>6. PROVISIONS</b>	<b>Long-term</b>	<b>Short-term</b>		
	As at	As at	As at	As at
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(a) Provision for employee benefits:				
For Gratuity	5,540,540	4,348,980	858,529	545,373
For Accrued Leave	3,308,918	2,692,197	1,981,606	1,492,745
(b) Other Provisions:				
For Taxation	-	-	57,158,818	56,742,929
Proposed Dividend	-	-	60,640,000	45,480,000
Dividend Tax	-	-	12,344,837	7,729,326
	<b>8,849,458</b>	<b>7,041,177</b>	<b>132,983,790</b>	<b>111,990,373</b>
	<b>As at 31.03.2015</b>		<b>As at 31.03.2014</b>	
	<b>(Rs.)</b>		<b>(Rs.)</b>	
<b>7. SHORT-TERM BORROWINGS</b>				
<b>SECURED</b>				
From Banks:				
(a) Cash Credit Facilities Repayable on Demand (Secured by hypothecation over entire Current Assets; and equitable mortgage of Office premises at DLF Corporate Park, Gurgaon)	7,897,581		29,409,098	
(b) Buyer's Credit (Rs 124,102,116 secured by Fixed Deposit under lien and balance Rs 26,487,740 by equitable mortgage of company's property located at Universal Business Park, Chandiwali Farm Road, Andheri Mumbai.)	150,589,856		-	
	<b>158,487,437</b>		<b>29,409,098</b>	
<b>8. TRADE PAYABLES</b>				
(a) Micro, Small and Medium Enterprises (Refer note no 27.11)	-		-	
(b) Other Entities				
For Goods	291,076,747		214,722,940	
For Services	16,464,138		14,504,530	
	<b>307,540,885</b>		<b>229,227,470</b>	



## NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
<b>9. OTHER CURRENT LIABILITIES</b>		
(a) Interest accrued but not due on Buyer's Credit	178,587	-
(b) Unpaid Dividend*	136,912	128,967
(c) Advance from Customers	42,158,488	5,870,593
(d) Employee related liabilities	16,536,688	12,283,026
(e) Statutory dues	6,493,259	6,017,771
(f) Security & Trade deposits	10,647,020	13,122,763
(g) Amount payable for Capital Goods	1,535,716	5,526,694
(h) Other liabilities	2,061,746	1,582,851
	<u><b>79,748,416</b></u>	<u><b>44,532,665</b></u>
<p>* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund under sub section 5 of section 124 of the Act as at the year end.</p>		

## NOTES TO FINANCIAL STATEMENTS

### 10. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost up to 31.03.2014	Addition during the year	Sales / adjustment during the year	Cost up to 31.03.2015	Depreciation up to 31.03.2014	Depreciation for the year	Sales / adjustment during the year	Depreciation up to 31.03.2015	WDV as on 31.03.2015	WDV as on 31.03.2014
	(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	20,541,938	85,653	-	20,627,591	-	-	-	-	20,627,591	20,541,938
Buildings	321,813,130	85,512	-	321,898,642	86,676,951	11,592,229	-	98,269,180	223,629,462	235,136,179
Roads	861,581	-	-	861,581	234,920	583,582	-	818,502	43,079	626,661
Plant & Machinery	78,991,990	250,000	722,544	78,519,446	67,211,735	1,729,616	235,312	68,706,039	9,813,407	11,780,257
Furniture and Fittings	11,970,711	105,690	13,302	12,063,099	6,731,802	1,704,204	11,357	8,424,649	3,638,450	5,238,909
Office Equipment	3,906,080	1,937,729	-	5,843,809	1,973,231	2,002,501	-	3,975,732	1,868,077	1,932,847
Motor Vehicles	19,593,700	5,186,190	2,443,741	22,336,149	12,101,305	3,044,557	1,873,208	13,272,653	9,063,496	7,492,395
Computers & Data Processing Units	8,337,868	4,214,188	-	12,552,056	6,750,064	3,111,437	-	9,861,501	2,690,555	1,587,804
Electrical Installations & Equipment	2,650,814	-	-	2,650,814	1,640,676	446,460	-	2,087,135	563,679	1,010,138
	470,867,811	11,864,962	3,179,587	479,553,187	183,320,683	24,214,586	2,119,877	205,415,392	274,137,796	287,547,128
<b>Intangible Assets</b>										
Computer Software	6,402,995	1,125,532	-	7,528,527	4,938,215	891,762	-	5,829,977	1,698,550	1,464,779
Intellectual Property & Rights	30,768,540	-	-	30,768,540	9,379,339	5,784,412	-	15,163,751	15,604,788	21,389,201
<b>Total</b>	<b>508,039,346</b>	<b>12,990,494</b>	<b>3,179,587</b>	<b>517,850,254</b>	<b>197,638,237</b>	<b>30,890,760</b>	<b>2,119,877</b>	<b>226,409,120</b>	<b>291,441,134</b>	<b>310,401,108</b>
<i>Figures for the corresponding previous year</i>	<i>439,586,899</i>	<i>72,618,750</i>	<i>4,166,303</i>	<i>508,039,346</i>	<i>176,729,123</i>	<i>24,695,329</i>	<i>3,786,215</i>	<i>197,638,237</i>	<i>310,401,108</i>	<i>262,857,776</i>

## NOTES TO FINANCIAL STATEMENTS

		As at 31.03.2015			As at 31.03.2014	
		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>						
<b>a) QUOTED</b>						
INVESTMENT IN EQUITY INSTRUMENTS						
Federal Bank Ltd.(Fully Paid Up)						
		2	3,555	102,750	3,555	102,750
		<b>Number of units</b>				
	<b>As at 01.04.2014</b>	<b>Purchased / addition during the year</b>	<b>Sold during the year</b>	<b>As at 31.03.2015</b>		
KOTAK FMP SERIES 135	1,000,000	-	--	1,000,000	10,000,000	10,000,000
(Face value of Rs. 10/-per unit)		(1,000,000)		(1,000,000)		
<b>b) UNQUOTED EQUITY INSTRUMENTS</b>						
INVESTMENT IN SUBSIDIARY COMPANY						
KPL Logistics Limited (Fully Paid Up)						
(Face value of Rs. 10/-per unit)						
				50,000	500,000	50,000
INVESTMENT IN PORTFOLIO						
HDFC Assets Management Company Limited						
					425,789	774,884
INVESTMENT IN VENTURE CAPITAL FUND						
ASK Pravi Private Equity						
	262.50	112.50	-	375.00	37,500,000	<b>26,250,000</b>
Opportunities Fund						
(Face value of Rs. 100,000/-per unit)	(150.00)	(112.50)	-	(262.50)		
				<b>48,528,539</b>	<b>37,627,634</b>	
		<b>As at 31.03.2015</b>		<b>As at 31.03.2014</b>		
		<b>Book Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>Market Value</b>	
Aggregate amount of:-						
Quoted Investments		10,102,750	11,642,738	10,102,750	10,508,559	
Unquoted Investments		38,425,789	-	27,524,884	-	
		<b>48,528,539</b>	<b>11,642,738</b>	<b>37,627,634</b>	<b>10,508,559</b>	
Note: Figures in brackets pertain to previous year						
		<b>Long-term</b>		<b>Short-term</b>		
		<b>As at 31.03.2015 (Rs.)</b>	<b>As at 31.03.2014 (Rs.)</b>	<b>As at 31.03.2015 (Rs.)</b>	<b>As at 31.03.2014 (Rs.)</b>	
<b>12. LOANS AND ADVANCES</b>						
Advance recoverable in cash or in kind						
(a) Security Deposits		2,524,365	5,745,822	3,439,129	1,472,956	
(Unsecured, considered good )						
(b) Other Loans and Advances :						
(Unsecured, considered good )						
Prepaid Expenses		404,412	537,323	4,243,920	3,865,831	
Balance with Central Excise and other Government Authorities		-	-	8,362,040	7,140,315	
Advance Payment of Income Tax		-	-	63,740,295	64,823,580	
Advance to Employees		160,594	234,280	1,386,870	980,790	
Advance to Suppliers		510,174	510,174	54,753,645	5,445,798	
Other Advance		-	-	1,142,302	1,289,070	
		<b>3,599,545</b>	<b>7,027,599</b>	<b>137,068,201</b>	<b>85,018,340</b>	

## NOTES TO FINANCIAL STATEMENTS

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)		
<b>13. INVENTORIES</b>				
(As taken, valued and certified by the Management)				
(a) Raw Materials	2,333,684	235,281		
(b) Stores and Spare Parts	573,793	1,289,260		
(c) Finished Goods	1,626,251	10,266,681		
(d) Traded Goods (Chemicals, Polymer & Others)	198,466,844	146,533,452		
	<b>203,000,572</b>	<b>158,324,674</b>		
<b>Details of Finished Goods / Raw Materials</b>				
	<b>Finished Goods</b>		<b>Raw Materials</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>	<b>(Rs.)</b>	<b>(Rs.)</b>
Refrigerant Gas	678,233	9,023,728	2,333,684	235,281
Tea	948,018	1,242,953	-	-
	<b>1,626,251</b>	<b>10,266,681</b>	<b>2,333,684</b>	<b>235,281</b>
			<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
			<b>(Rs.)</b>	<b>(Rs.)</b>
<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	8,022,856			51,668,218
Unsecured, under litigation	47,179,657			-
Less: Provision	12,374,347			790,548
	<b>42,828,166</b>			<b>50,877,670</b>
(b) Other				
Unsecured, Considered Good	370,887,906			300,855,601
	<b>413,716,072</b>			<b>351,733,271</b>
<b>15. CASH AND CASH EQUIVALENTS</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
(a) Cash in hand	110,869			1,319,901
(b) Balance with Banks				
In Current Account	3,907,278			1,029,506
In EEFC Account	1,538,465			1,917,115
In Current Account (Foreign Countries)	30,679,928			6,256,058
<b>OTHER BANK BALANCES</b>				
(a) Earmarked Balances With Banks				
In Unpaid Dividend Account	136,915			128,970
(b) Margin Money held as Securities	155,373,532			46,100,000
	<b>191,746,987</b>			<b>56,751,550</b>
<b>16. OTHER CURRENT ASSETS</b>				
Unsecured, Considered Good unless otherwise stated				
(a) Accrued Commission	-			2,121,371
(b) Dividend & Interest Receivable	3,484,724			1,671,505
(c) Other Receivable	2,825,596			1,246,412
	<b>6,310,320</b>			<b>5,039,288</b>
			<b>For the year ended</b>	<b>For the year ended</b>
			<b>31.03.2015</b>	<b>31.03.2014</b>
			<b>(Rs.)</b>	<b>(Rs.)</b>
<b>17. REVENUE FROM OPERATIONS</b>				
(a) Sale of Products				
Tea (Including Export Sales of Rs 1,288,408 (Previous Year Rs. 2,975,334))	25,379,187	24,508,646		
Refrigerant Gas	19,239,297	32,734,093		
Wind Power	<u>9,328,871</u>	53,947,355	<u>9,290,931</u>	66,533,670
Traded Goods (Chemicals, Polymers & Others) (Including Export Sales of Rs. 234,855,262 (Previous Year - Rs. 199,128,701))	<u>2,061,655,588</u>			<u>2,778,568,094</u>
	<b>2,115,602,943</b>			<b>2,845,101,764</b>

## NOTES TO FINANCIAL STATEMENTS

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
(b) Commission Income (Refer Note no- 27.01 of Other Notes to Account)	169,267,969	180,556,292
(c) Solar Training	3,269,041	1,687,495
(d) Other Operating Revenue Export Benefits	86,282	191,030
Revenue from operations (Gross)	<u>2,288,226,235</u>	<u>3,027,536,581</u>
Less: Excise Duty	2,063,062	3,727,574
Revenue from operations (Net)	<u>2,286,163,173</u>	<u>3,023,809,007</u>
<b>18. OTHER INCOME</b>		
Interest Income		
On Bond and Debenture	2,223,772	3,407,082
From Fixed Deposit	11,406,541	6,474,828
From Others	356,581	272,632
Dividend Income		
On long term Investments (including Rs. 846,885 for previous year)	1,388,653	6,399
On Current Investments	-	27,608
Income from Investments-Portfolio	335,946	326,886
Exchange Rate Fluctuation - Net	5,101,241	-
Rent Received	16,553,172	17,632,686
Liabilities no longer required written back	573,561	1,184,394
Subsidy	275,720	74,493
Profit on Sale of Fixed Assets - Net	493,614	1,823,526
Miscellaneous receipts	1,993,720	517,219
	<u>40,702,521</u>	<u>31,747,753</u>
<b>19. COST OF RAW MATERIAL CONSUMED</b>		
Refrigerant Gas	8,298,514	30,439,754
	<u>8,298,514</u>	<u>30,439,754</u>
<b>20. PURCHASES OF STOCK IN TRADE</b>		
Traded Goods (Chemicals, Polymers & Others)	1,920,129,610	2,563,357,636
	<u>1,920,129,610</u>	<u>2,563,357,636</u>
<b>21. CHANGE IN INVENTORIES</b>		
<b>Finished Goods</b>		
Opening Stock	10,266,681	5,764,937
Closing Stock	1,626,251	10,266,681
Decrease /(Increase)	<u>8,640,430</u>	<u>(4,501,744)</u>
<b>Stock in Trade</b>		
Opening Stock	146,533,452	158,906,149
Closing Stock	198,466,844	146,533,452
Decrease /(Increase)	<u>(51,933,392)</u>	<u>12,372,697</u>
<b>Change in inventory</b>	<u>(43,292,962)</u>	<u>7,870,953</u>
<b>22. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus & Gratuity etc.	96,013,210	90,857,273
Managerial Remuneration	8,558,875	7,498,225
Contribution to Provident Fund	7,278,278	6,350,443
Staff Welfare	2,061,949	1,994,728
	<u>113,912,312</u>	<u>106,700,669</u>
<b>23. FINANCE COST</b>		
Bank Charges	7,418,506	9,133,958
Interest Paid to Bank	2,292,989	641,233
Interest on Others	-	1,736,986
	<u>9,711,495</u>	<u>11,512,177</u>
<b>24. DEPRECIATION</b>		
Depreciation	30,890,760	24,695,329
Less: Transfer to General Reserve & Deferred Tax	1,733,202	-
	<u>29,157,558</u>	<u>24,695,329</u>

## NOTES TO FINANCIAL STATEMENTS

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
<b>25. OTHER EXPENSES</b>		
Consumption of Stores & Spare parts etc.	975,960	1,304,141
Power & Fuel	5,113,220	3,645,623
Rent	12,641,516	11,885,241
Repairs to Plant & Machinery	119,904	224,514
Repairs to Buildings	4,062,272	2,685,486
Repairs to Others	6,723,949	6,259,907
Insurance	2,053,179	1,626,003
Rates & Taxes	3,865,787	4,552,543
Auditors' Remuneration		
Audit Fees	350,000	393,260
Tax Audit Fees	17,500	30,899
Certification Fees	50,562	28,090
Reimbursement of Expenses	9,101	35,902
Premium on currency hedging Contracts	12,221,294	15,624,473
Exchange Rate difference – Net	-	22,663,013
Selling & Distributing Expenses	35,670,620	29,891,979
Directors Sitting Fees	89,888	89,888
Travelling Expenses	13,864,102	12,186,451
Bad Debt	288,521	843,020
Provision for Bad & Doubtful Debts	11,924,435	283,447
Donation	31,000	2,500,000
Corporate Social Responsibility Expenses (Refer Note No. 27.12)	4,000,000	-
Miscellaneous Expenses	23,437,823	22,406,328
	<b>137,510,633</b>	<b>139,160,208</b>
	<b>As at 31.03.2015</b> (Rs.)	<b>As at 31.03.2014</b> (Rs.)
<b>26. CONTINGENT LIABILITIES &amp; COMMITMENTS:</b>		
<b>26.01 CONTINGENT LIABILITIES</b>		
(a) Bank Guarantees given to various Govt. Authorities/others	103,793,448	3,197,219
(b) (i) Income Tax demand under appeal	-	1,039,818
(ii) Sales Tax demand including penalty Rs. 5,303,960	8,839,933	8,839,933
<b>26.02 OTHER LITIGATIONS</b>		
The Company has filed law suit against certain customers for recovery of Rs. 47,179,657 appearing in Trade receivables (Refer Note No. 14)		
<b>26.03 COMMITMENTS</b>		
Estimated amount of Contract remaining to be executed on Capital Account and not provided for (Net of Advance) Rs. 510,174 (Previous Year Rs. 510,174)		
<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. 1,962,586 (Previous year Rs. 2,175,703)		

## 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 6,617,904 for all eligible employees towards Provident Fund managed by the Central Government.

(Amount in Rs.)

PARTICULARS	2014-15		2013-14	
	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 01-04-2014	15,009,682	4,184,942	13,645,621	3,215,852
EMPLOYER SERVICE COST	1,497,223	1,181,035	1,430,532	1,052,482
INTEREST COST	1,232,744	334,795	1,157,514	257,268
ACTUARIAL (GAINS) / LOSSES	417,066	(192,728)	(566,971)	41,065
BENEFITS PAID	(1,141,860)	(217,520)	(601,881)	(381,725)
<b>PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AS ON 31-03-2015</b>	<b>17,014,855</b>	<b>5,290,524</b>	<b>15,064,815</b>	<b>4,184,942</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	10,170,462	-	9,367,945	-
EXPECTED RETURN ON PLANNED ASSETS	898,807	-	810,783	-
CONTRIBUTION	594,012	-	214,439	-
BENEFITS PAID	(1,047,494)	-	(225,981)	-
ACTUARIAL (GAINS) / LOSSES	-	-	3,276	-
<b>FAIR VALUE OF PLAN ASSETS AT YEAR END</b>	<b>10,615,787</b>	<b>-</b>	<b>10,170,462</b>	<b>-</b>
<b>C. RECONCILIATION OF FAIR VALUE OF ASSETS &amp; OBLIGATION</b>				
FAIR VALUE OF PLAN ASSETS AS AT 31.03.2015	10,615,786	-	10,170,462	-
FAIR VALUE OF OBLIGATION AS AT 31.03.2015	17,014,855	5,290,524	15,064,815	4,184,942
AMOUNT RECOGNISED IN BALANCE SHEET	6,399,069	5,290,524	4,894,353	4,184,942
<b>D. EXPENSES RECOGNISED DURING THE YEAR 2014-15</b>				
CURRENT SERVICE COST	1,497,223	1,181,035	1,430,532	1,052,482
INTEREST COST	1,232,744	334,795	1,157,514	257,268
EXPECTED RETURN ON PLANNED ASSETS	(898,807)	-	(810,783)	-
ACTUARIAL (GAINS) / LOSSES	417,066	(192,728)	(570,247)	41,065
<b>TOTAL</b>	<b>2,248,226</b>	<b>1,323,102</b>	<b>1,207,016</b>	<b>1,350,815</b>
<b>E. ACTUARIAL ASSUMPTIONS</b>				
MORTALITY TABLE (L.I.C. 1994-96)				
DISCOUNT RATE (PER ANNUM)	8%	8%	8%	8%
RATE OF ESCALATION IN SALARY	6%	6%	6%	6%

## NOTES TO FINANCIAL STATEMENTS

### 27.03 Related Party Disclosure (To the extent Identified by the company)

#### Name & Relationship of the Related Parties:

##### 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. Limited	- Under Common Control
g) Kirtivardhan Finvest Services Limited	- 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:

(Amount in Rs.)

Nature of Transaction	Holding / Subsidiary		Enterprises Under Common Control		Key Management Personnel*	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>1. Interest paid</b>						
Vardhan Limited	--	--	--	207,123	--	--
Kirtivardhan Finvest Services Limited	--	--	--	253,151	--	--
<b>2. Managerial Remuneration</b>						
Mr. Surinder Kumar Kak	--	--	--	--	8,558,875	7,498,225
<b>3. Dividend paid</b>						
Vardhan Finvest Limited	42,357,000	28,226,000	--	--	--	--
<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.	--	--	2,490,389	1,517,584	--	--
APAG Elektronik S.R.O.	--	--	459,949	148,273	--	--
<b>7. Rent Received</b>						
Kanoria Chemicals & Industries Ltd.	--	--	412,500	1,612,500	--	--
<b>8. Rent Paid</b>						
Kanoria Chemicals & Industries Ltd.	--	--	645,963	767,538	--	--
<b>9. Assets Sale</b>						
Kanoria Chemicals & Industries Ltd.	--	--	--	266,667	--	--
<b>10. (a) Sale of Goods</b>						
Kanoria Chemicals & Industries Ltd.	--	--	--	581,427,023	--	--
Kanoria Africa Textiles PLC, Ethiopia	--	--	92,364,588	84,146,846	--	--
APAG Elektronik AG, Switzerland	--	--	--	327,593	--	--
APAG Elektronik S.R.O.	--	--	60,795,667	68,599,266	--	--
<b>10. (b) Reimbursements</b>						
APAG Elektronik AG, Switzerland	--	--	966,524	--	--	--
<b>11. Website Development</b>						
Breaking Wave Software Pvt. Limited	--	--	59,894	200,000	--	--
<b>12. Donation Paid</b>						
Sambhava Foundation	--	--	--	2,500,000	--	--
<b>13. CSR Paid</b>						
Sambhava Foundation	--	--	4,000,000	--	--	--
<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	--	--
Receivable -Kanoria Chemicals & Industries Ltd.	--	--	1,481,024	850,743	--	--
-Kanoria Africa Textile PLC	--	--	74,379,313	70,617,487	--	--
-APAG Elektronik S.R.O.	--	--	24,380,135	--	--	--
Remuneration payable to Mr. Surinder Kumar Kak	--	--	--	--	2,839,604	1,780,128

\* Excluding Actuarial Valuation of Gratuity & Leave Encashment



## NOTES TO FINANCIAL STATEMENTS

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
<b>27.04 Value of Import on CIF basis</b>		
Raw Materials	9,270,987	27,382,296
Trading Goods	<u>1,315,457,328</u>	<u>2,197,680,420</u>
	<b>1,324,728,315</b>	<b>2,225,062,716</b>
	<b>For the year ended 31.03.2015</b>	<b>For the year ended 31.03.2014</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>		
Imported	<u>8,298,514</u>	<u>30,439,754</u>
	100%	100%
	<u>8,298,514</u>	<u>30,439,754</u>
	100%	100%
<b>27.06 Value of Consumables and Stores &amp; Spare parts (Excluding charged to other heads)</b>		
Indigenous	<u>975,960</u>	<u>1,304,141</u>
	100%	100%
	<u>975,960</u>	<u>1,304,141</u>
	100%	100%
	<b>For the year ended 31.03.2015 (Rs.)</b>	<b>For the year ended 31.03.2014 (Rs.)</b>
<b>27.07 Expenditures in Foreign Exchange</b>		
Foreign Travelling	869,828	723,632
Third Country Purchases	181,768,589	106,422,709
Professional Services	635,091	129,444
Others	<u>10,152,380</u>	<u>10,445,895</u>
	<b>193,425,888</b>	<b>117,721,680</b>
<b>27.08 Earnings in Foreign Exchange</b>		
Commission Income	161,850,378	177,793,878
FOB Value of Export	43,129,301	86,140,090
Third Country Sales	<u>192,134,814</u>	<u>112,218,882</u>
	<b>397,114,493</b>	<b>376,152,850</b>
<b>27.09 Earning Per Share</b>		
Profit for the year	100,607,888	11,306,902
Weighted average number of Equity Shares	15,160	15,160
<b>Basic &amp; Diluted earning per share of Rs. 1000/- each</b>	<b>6,636</b>	<b>7,458</b>
<b>27.10</b> There is no separate reportable segment as per the criteria specified in Accounting Standard (AS) 17 "Segment Reporting" prescribed under Section 133 of the Companies Act, 2013.		
<b>27.11</b> 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, 2015. 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.		

## NOTES TO FINANCIAL STATEMENTS

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
<b>27.12 CSR Expenditure</b>		
The Company undertook Corporate Social responsibility('CSR') programme and activities through a Trust registered under the Income Tax Act,1961.by contributing Rs 40,00,000/-.		
(a) Gross Amount required to be spent by the Company during the year	3,795,732	--
(b) Amount spent by the Company through this trust:		
Construction/acquisition of any assets	--	--
On purpose other than above	3,566,910	--
Yet to be spent	228,822	--
<b>27.13</b> 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: 16.06.2015

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

M.L. Agarwal  
Chief Financial Officer

For and on behalf of the Board

R.V. Kanoria  
Chairman  
DIN: 00003792

Ummang Mutreja  
Company Secretary

# INDEPENDENT AUDITOR'S REPORT

**To the Members of KPL International Limited**

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

We have audited the accompanying consolidated financial statements of **KPL International Limited** ("the Holding Company"), and its subsidiary (the Holding Company and its subsidiary together referred to as "the group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of presentation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Emphasis of Matters

We draw attention to the following matter in the Notes to the consolidated financial statements:

- a. Note 26.02 to the consolidated financial statements, pertaining to trade receivables under litigation.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditor's reports of the Holding company and subsidiary company, we give in the Annexure 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, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained and with the returns received from other branches/depots not visited by us for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors of the Holding Company and the subsidiary company, none of the directors of the group is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group – Refer Note No. 26.01 (b) to the Consolidated Financial Statements;
    - ii. The Group 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 & Protection Fund by the Holding company and its subsidiary company.

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

Place: New Delhi  
Date: 16<sup>th</sup> June, 2015

**B.L. Choraria**  
Partner  
Membership No. 22973

## 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 Group is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As informed to us, the Group has a phased programme of physical verification of its fixed assets, which in our opinion is reasonable having regard to the size of the Group and the nature of their fixed assets. Management has physically verified certain fixed assets during the year as per the phased programme as mentioned above and as informed to us, no material discrepancies were noticed as compared to books of accounts.
- (ii) a. As explained to us, inventories were physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- 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 Group and the nature of their business.
- c. In our opinion and according to the information and explanation given to us, the Group is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The Group has not granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the requirements of clauses (iii) (a) to (b) of the paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Group and the nature of their 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 in internal control system has been noticed.
- (v) In our opinion and according to the information and explanations given to us, the Group 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 Group.
- (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 group.
- (vii) a. According to the records of the Group, the Group is generally regular in depositing material undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, service tax, wealth tax, custom duty, excise duty, income tax, cess and other statutory dues applicable to it with the appropriate authorities. There was no material 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 Group, 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, other than the following:

NATURE OF DUES	Amount Involved (Rs.)	Amount paid under Protest (Rs.)	Forum where the dispute is pending
Sales Tax ( including Penalty of Rs. 5303960)	88,39,933	--	High Court

- c. During the year unclaimed dividend amounting to Rs. 6,055 has been transferred to Investor Education and Protection Fund with in the due date in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) The Group has no accumulated losses at the end of the financial year and it has not incurred any cash loss in the current year or in the immediately preceding financial year.

- (ix) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Group has not defaulted in repayment of dues to financial institutions and banks. We have been informed that the Group has not issued any debenture during the year.
- (x) According to the information and explanations given to us, the group has not given any guarantee for loans taken by others from bank or financial institution, the terms and conditions whereof are prejudicial to the interest of the group.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed during the year by the Group were, prima facie, applied by the Group for the purpose for which loans were obtained.
- (xii) Based on our examination of the books and records of the Group, 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 Group, has been noticed or reported during the year.

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

**B.L. Choraria**  
Partner  
Membership No. 22973

Place: New Delhi  
Date: 16<sup>th</sup> June, 2015

**KPL INTERNATIONAL LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31<sup>ST</sup> MARCH 2015**

Particulars	Note No.	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	15,186,500	15,186,500
(b) Reserves and Surplus	4	588,681,337	562,218,331
		<b>603,867,837</b>	<b>577,404,831</b>
<b>(2) Non-current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	5	1,658,945	9,244,440
(b) Other Long-term Liabilities	6	2,372,959	3,187,725
(c) Long-term Provisions	7	8,849,458	7,041,177
		<b>12,881,362</b>	<b>19,473,342</b>
<b>(3) Current Liabilities</b>			
(a) Short-term Borrowings	8	158,487,437	29,409,098
(b) Trade Payables	9	307,540,885	229,227,470
(c) Other Current Liabilities	10	79,758,528	44,542,777
(d) Short-term Provisions	7	132,983,790	111,993,801
		<b>678,770,640</b>	<b>415,173,146</b>
<b>TOTAL</b>		<b>1,295,519,839</b>	<b>1,012,051,319</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		274,137,796	287,547,128
(ii) Intangible Assets		17,303,338	22,853,980
		291,441,134	310,401,108
(b) Non-current Investments	12	48,613,050	37,712,145
(c) Long-term Loans & Advances	13	3,599,545	7,027,599
		<b>343,653,729</b>	<b>355,140,852</b>
<b>(2) Current Assets</b>			
(a) Inventories	14	203,000,572	158,324,674
(b) Trade Receivables	15	413,716,072	351,733,271
(c) Cash and Cash Equivalents	16	191,770,945	56,794,894
(d) Short-term Loans & Advances	13	137,068,201	85,018,340
(e) Other Current Assets	17	6,310,320	5,039,288
		<b>951,866,110</b>	<b>656,910,467</b>
<b>TOTAL</b>		<b>1,295,519,839</b>	<b>1,012,051,319</b>
<b>Significant Accounting policies</b>	1		
<b>Contingent Liabilities and Commitments</b>	27		
<b>Other Notes to Accounts</b>	28		

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

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

For and on behalf of the Board

For SINGHI & CO.

Chartered Accountants  
Firm Reg. No. 302049E

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

R.V. Kanoria  
Chairman  
DIN: 00003792

B.L. Choraria, Partner  
Membership No. 22973

M.L. Agarwal  
Chief Financial Officer

Ummang Mutreja  
Company Secretary

Place: New Delhi  
Dated: 16.06.2015

**KPL INTERNATIONAL LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

Particulars	Note No.	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
I. Revenue from Operations (Net)	18	2,286,163,173	3,023,809,007
II. Other Income	19	40,702,521	31,777,187
<b>III. Total Revenue(I+II)</b>		<b>2,326,865,694</b>	<b>3,055,586,194</b>
<b>IV. Expenses:</b>			
Cost of Materials Consumed	20	8,298,514	30,439,754
Purchases of Stock-in-Trade	21	1,920,129,610	2,563,357,636
Change in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	(43,292,962)	7,870,953
Employee Benefits Expense	23	113,912,312	106,700,669
Finance Costs	24	9,712,143	11,512,492
Depreciation & Amortization Expenses	25	29,157,558	24,695,329
Other Expenses	26	137,525,943	139,171,340
<b>Total Expenses</b>		<b>2,175,443,118</b>	<b>2,883,748,173</b>
<b>V. Profit before Tax (III-IV)</b>		<b>151,422,576</b>	<b>171,838,021</b>
<b>VI. Tax Expense</b>			
(a) Current Tax		57,100,000	56,703,428
(b) Deferred Tax		(6,996,380)	1,240,414
(c) Provision for Taxation of earlier year		727,026	809,718
		<b>50,830,646</b>	<b>58,753,560</b>
<b>VII. Profit for the Period (V-VI)</b>		<b>100,591,930</b>	<b>113,084,461</b>
<b>Earning per Equity Share of Rs 1000/- each</b>	28.04		
Basic & Diluted		6,635	7,459
<b>Significant Accounting policies</b>	1		
<b>Other Notes to Accounts</b>	28		

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

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

For and on behalf of the Board

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

R.V. Kanoria  
Chairman  
DIN: 00003792

B.L. Choraria, Partner  
Membership No. 22973

M.L. Agarwal  
Chief Financial Officer

Ummang Mutreja  
Company Secretary

Place: New Delhi  
Dated: 16.06.2015



**KPL INTERNATIONAL LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and exceptional items	151,422,576	171,838,021
Adjustments for:		
Depreciation & Amortisation	29,157,558	24,695,329
Sundry Balances Written off	288,521	843,020
(Profit) / Loss on Sale of Fixed Assets	(493,614)	(1,823,526)
Interest	2,292,989	2,378,219
Net Provision	11,350,874	(898,918)
Dividend Income from Investments	(1,388,653)	(34,007)
Income from Portfolio Investments	(335,946)	(326,886)
Liability no longer required written back	(573,561)	(1,184,394)
Interest Income	(13,986,895)	(10,154,542)
Unrealised Foreign Exchange Fluctuation(NET)	7,530,219	(1,331,884)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	185,264,068	184,000,432
(Increase) / Decrease in Sundry Debtors	(77,502,717)	(48,067,097)
(Increase) / Decrease in Inventories	(44,675,898)	8,398,318
(Increase) / Decrease in Loan & Advances	(49,036,106)	(5,746,333)
(Increase) / Decrease in Liabilities	111,993,496	(168,238,529)
CASH GENERATED FROM OPERATIONS	126,042,843	(29,653,209)
Income Tax Paid	56,389,549	59,127,651
CASH FROM OPERATING ACTIVITIES BEFORE PRIOR PERIOD ITEMS	69,653,294	(88,780,860)
Prior Period Items	-	-
NET CASH GENERATED FROM OPERATIONS	69,653,294	(88,780,860)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(12,990,494)	(72,618,750)
Purchase of Investments (Net)	(10,900,905)	69,137,029
Dividend and Interest Income from Investments	13,562,329	18,776,373
Income from Portfolio Investments	335,946	326,886
Net Proceeds from Sale of Fixed Assets	1,553,325	2,203,613
NET CASH FROM INVESTING ACTIVITIES	(8,439,799)	17,825,151
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Borrowing from Bank	129,078,338	8,835,526
Interest Paid	(2,114,401)	(2,378,219)
Dividend Paid	(53,209,326)	(35,472,887)
NET CASH USED/FROM FINANCING ACTIVITIES	73,754,611	(29,015,580)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	134,968,106	(99,971,289)
Cash and cash equivalent as at 31.03.2014	56,665,924	156,637,214
Cash and cash equivalent as at 31.03.2015	191,634,030	56,665,924
Cash and Cash equivalents includes		
Cash and Bank Balances	191,770,945	56,794,894
Less: Unpaid Dividend	136,915	128,970
Cash and Cash Equivalents	191,634,030	56,665,924

- 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.

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

For and on behalf of the Board

For SINGHI & CO.  
Chartered Accountants  
Firm Reg. No. 302049E

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

R.V. Kanoria  
Chairman  
DIN: 00003792

B.L. Choraria, Partner  
Membership No. 22973

M.L. Agarwal  
Chief Financial Officer

Ummang Mutreja  
Company Secretary

Place: New Delhi  
Dated: 16.06.2015

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statement represents consolidation of accounts of KPL International Limited, the Parent Company, is a public limited company and KPL Logistics Limited, its Subsidiary (together referred to as "The Group"). Both the companies are incorporated in India under the provisions of the Companies Act, 1956. The Consolidated Financial Statements are prepared in conformity with Accounting Standards -21 "Consolidated Financial Statement" issued by The Institute of Chartered Accountants of India as set out below:

- (i) The financial statements of the Parent Company and its subsidiary have been combined on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions and any unrealised profits / losses included therein, if any.
- (ii) The consolidated Financial Statements are prepared by adopting uniform policies for like transactions and other events in similar circumstances and are presented to the extent required and possible, in the same manner as the Parent Company's separate financial statements.
- (iii) The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent Company.
- (iv) The Proportion of Parent Company's share ownership in Subsidiary is 100%

### 2. 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 respects 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 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 uncertainty involved.
- iii) Income on Portfolio Investment is recognised on realisation basis.
- iv) 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 under the duty drawback scheme 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) 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.

#### 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).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 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

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 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) 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 THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)		
<b>3. 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	<u>300,000</u>	<u>300,000</u>		
	<b>100,000,000</b>	<b>100,000,000</b>		
<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)	<u>26,500</u>	<u>26,500</u>		
	<b>15,186,500</b>	<b>15,186,500</b>		
<b>(d) Reconciliation of Equity Shares (Nos.)</b>				
Balance as at the beginning of the year	<u>15,160</u>	<u>15,160</u>		
<b>Balance as at the end of the year</b>	<b>15,160</b>	<b>15,160</b>		
<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) 14,136 (Previous Year 14,113 ) Nos. of equity shares of the company held by its Holding company 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 31.03.2015</b>		<b>As at 31.03.2014</b>	
<b>Name of shareholder</b>	<b>Nos.</b>	<b>% of Holding</b>	<b>Nos.</b>	<b>% of Holding</b>
Vardhan Finvest Limited	14,136	93.25	14,113	93.09
	<b>As at 31.03.2015 (Rs.)</b>		<b>As at 31.03.2014 (Rs.)</b>	
<b>4. RESERVES &amp; SURPLUS</b>				
<b>(a) CAPITAL REDEMPTION RESERVE</b>				
Balance as at the beginning of the year	<u>9,250</u>		<u>9,250</u>	
<b>Balance as at the end of the year</b>	<b>9,250</b>		<b>9,250</b>	
<b>(b) GENERAL RESERVE</b>				
Balance as at the beginning of the year	63,154,000		51,754,000	
Add: Transfer from Surplus in Statement of Profit and Loss during the year	250,000,000		11,400,000	
Less: Depreciation*	<u>1,144,087</u>		<u>-</u>	
<b>Balance as at the end of the year</b>	<b>312,009,913</b>		<b>63,154,000</b>	
* Being the carrying amount of assets acquired prior to 1st April 2014 and whose remaining useful life as per schedule II of the Companies Act, 2013 was nil as on 31st March 2014.				
<b>(c) SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>				
Balance as at the beginning of the year	499,055,081		450,579,946	
Profit for the year	100,591,930		113,084,461	
Less: Appropriations	60,640,000		45,480,000	
Proposed Dividend on Equity Shares	12,344,837		7,729,326	
Dividend Distribution Tax	250,000,000		11,400,000	
Transfer to General Reserve	<u>276,662,174</u>		<u>499,055,081</u>	
<b>Balance as at the end of the year</b>	<b>276,662,174</b>		<b>499,055,081</b>	
<b>Total</b>	<b>588,681,337</b>		<b>562,218,331</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)		
<b>5. DEFERRED TAX LIABILITIES (NET)</b>				
Deferred Tax Liability				
Difference between written down value of block of assets as per income tax laws and book written down value of the fixed assets	10,427,394	12,599,200		
Less: Depreciation*	589,115	-		
	<b>9,838,279</b>	<b>12,599,200</b>		
Deferred Tax Assets				
Employee Benefits	3,973,293	3,086,053		
Others	4,206,041	268,707		
	<b>8,179,334</b>	<b>3,354,760</b>		
	<b>1,658,945</b>	<b>9,244,440</b>		
* Being the carrying amount of assets acquired prior to 1st April 2014 and whose remaining useful life as per schedule II of the Companies Act, 2013 was nil as on 31st March 2014.				
<b>6. OTHER LONG-TERM LIABILITIES</b>				
Security Deposits	2,372,959	3,187,725		
	<b>2,372,959</b>	<b>3,187,725</b>		
<b>7. PROVISIONS</b>	<b>Long-term</b>	<b>Short-term</b>		
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>	<b>(Rs.)</b>	<b>(Rs.)</b>
(a) Provision for employee benefits:				
For Gratuity	5,540,540	4,348,980	858,529	545,373
For Accrued Leave	3,308,918	2,692,197	1,981,606	1,492,745
(b) Other Provisions:				
For Taxation	-	-	57,158,818	56,746,357
Proposed Dividend	-	-	60,640,000	45,480,000
Dividend Tax	-	-	12,344,837	7,729,326
	<b>8,849,458</b>	<b>7,041,177</b>	<b>132,983,790</b>	<b>111,993,801</b>
	<b>As at 31.03.2015</b>		<b>As at 31.03.2014</b>	
	<b>(Rs.)</b>		<b>(Rs.)</b>	
<b>8. SHORT-TERM BORROWINGS</b>				
<b>SECURED</b>				
<u>From Banks:</u>				
(a) Cash Credit Facilities Repayable on Demand (Secured by hypothecation over entire Current Assets; and equitable mortgage of Office premises at DLF Corporate Park, Gurgaon)	7,897,581		29,409,098	
(b) Buyer's Credit (Rs 124,102,116 secured by Fixed Deposit under lien and balance Rs 26,487,740 by equitable mortgage of company's property located at Universal Business Park, Chandiwali Farm Road, Andheri Mumbai.)	150,589,856		-	
	<b>158,487,437</b>		<b>29,409,098</b>	
<b>9. TRADE PAYABLES</b>				
(a) Micro, Small and Medium Enterprises (Refer note no 28.06)	-		-	
(b) Other Entities				
For Goods	291,076,747		214,722,940	
For Services	16,464,138		14,504,530	
	<b>307,540,885</b>		<b>229,227,470</b>	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
<b>10. OTHER CURRENT LIABILITIES</b>		
(a) Interest accrued but not due on Buyer's Credit	178,587	-
(b) Unpaid Dividend*	136,912	128,967
(c) Advance from Customers	42,158,488	5,870,593
(d) Employee related liabilities	16,536,688	12,283,026
(e) Statutory dues	6,493,259	6,017,771
(f) Security & Trade deposits	10,647,020	13,122,763
(g) Amount payable for Capital Goods	1,535,716	5,526,694
(h) Other liabilities	2,071,858	1,592,963
	<b>79,758,528</b>	<b>44,542,777</b>
<p>* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund under sub section 5 of section 124 of the Act as at the year end.</p>		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 11. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost up to 31.03.2014	Addition during the year	Sales / adjustment during the year	Cost up to 31.03.2015	Depreciation up to 31.03.2014	Depreciation for the year	Sales / adjustment during the year	Depreciation up to 31.03.2015	WDV as on 31.03.2015	WDV as on 31.03.2014
	(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	20,541,938	85,653	-	20,627,591	-	-	-	-	20,627,591	20,541,938
Buildings	321,813,130	85,512	-	321,898,642	86,676,951	11,592,229	-	98,269,180	223,629,462	235,136,179
Roads	861,581	-	-	861,581	234,920	583,582	-	818,502	43,079	626,661
Plant & Machinery	78,991,990	250,000	722,544	78,519,446	67,211,735	1,729,616	235,312	68,706,039	9,813,407	11,780,257
Furniture and Fittings	11,970,711	105,690	13,302	12,063,099	6,731,802	1,704,204	11,357	8,424,649	3,638,450	5,238,909
Office Equipment	3,906,080	1,937,729	-	5,843,809	1,973,231	2,002,501	-	3,975,732	1,868,077	1,932,847
Motor Vehicles	19,593,700	5,186,190	2,443,741	22,336,149	12,101,305	3,044,557	1,873,208	13,272,653	9,063,496	7,492,395
Computers & Data Processing Units	8,337,868	4,214,188	-	12,552,056	6,750,064	3,111,437	-	9,861,501	2,690,555	1,587,804
Electrical Installations & Equipment	2,650,814	-	-	2,650,814	1,640,676	446,460	-	2,087,135	563,679	1,010,138
	470,867,811	11,864,962	3,179,587	479,553,187	183,320,683	24,214,586	2,119,877	205,415,392	274,137,796	287,547,128
<b>Intangible Assets</b>										
Computer Software	6,402,995	1,125,532	-	7,528,527	4,938,215	891,762	-	5,829,977	1,698,550	1,464,779
Intellectual Property & Rights	30,768,540	-	-	30,768,540	9,379,339	5,784,412	-	15,163,751	15,604,788	21,389,201
<b>Total</b>	<b>508,039,346</b>	<b>12,990,494</b>	<b>3,179,587</b>	<b>517,850,254</b>	<b>197,638,237</b>	<b>30,890,760</b>	<b>2,119,877</b>	<b>226,409,120</b>	<b>291,441,134</b>	<b>310,401,108</b>
<i>Figures for the corresponding previous year</i>	<i>439,586,899</i>	<i>72,618,750</i>	<i>4,166,303</i>	<i>508,039,346</i>	<i>176,729,123</i>	<i>24,695,329</i>	<i>3,786,215</i>	<i>197,638,237</i>	<i>310,401,108</i>	<i>262,857,776</i>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		As at 31.03.2015			As at 31.03.2014	
		Face Value (Rs.)	No.	Amount (Rs.)	No.	Amount (Rs.)
<b>12. INVESTMENTS</b>						
<b>A. NON CURRENT</b>						
<b>NON TRADE INVESTMENTS(Valued at Cost unless stated otherwise)</b>						
<b>a) QUOTED</b>						
INVESTMENT IN EQUITY INSTRUMENTS						
Federal Bank Ltd.(Fully Paid Up)						
		2	3,555	102,750	3,555	102,750
		<b>Number of units</b>				
	<b>As at 01.04.2014</b>	<b>Purchased / addition during the year</b>	<b>Sold during the year</b>	<b>As at 31.03.2015</b>		
KOTAK FMP SERIES 135 (Face value of Rs. 10/-per unit)	1,000,000	- (1,000,000)	--	1,000,000 (1,000,000)	10,000,000	10,000,000
<b>b) UNQUOTED EQUITY INSTRUMENTS</b>						
Suprawin Technologies Ltd. (Face value of Rs. 10/-per unit)						
				10	1	1
INVESTMENT IN PORTFOLIO						
HDFC Assets Management Company Limited						
					425,789	774,884
Birla Sunlife						
					584,510	584,510
INVESTMENT IN VENTURE CAPITAL FUND						
ASK Pravi Private Equity						
	262.50	112.50	-	375.00	37,500,000	<b>26,250,000</b>
Opportunities Fund						
(Face value of Rs. 100,000/-per unit)	(150.00)	(112.50)	-	(262.50)		
				<b>48,613,050</b>	<b>37,712,145</b>	
		<b>As at 31.03.2015</b>		<b>As at 31.03.2014</b>		
		Book Value	Market Value	Book Value	Market Value	
Aggregate amount of:-						
Quoted Investments		10,102,750	11,642,738	10,102,750	10,508,559	
Unquoted Investments		38,510,300	-	27,609,395	-	
		<b>48,613,050</b>	<b>11,642,738</b>	<b>37,712,145</b>		
Note: Figures in brackets pertain to previous year						
		<b>Long-term</b>		<b>Short-term</b>		
		<b>As at 31.03.2015 (Rs.)</b>	<b>As at 31.03.2014 (Rs.)</b>	<b>As at 31.03.2015 (Rs.)</b>	<b>As at 31.03.2014 (Rs.)</b>	
<b>13. LOANS AND ADVANCES</b>						
Advance recoverable in cash or in kind						
(a) Security Deposits (Unsecured, considered good )	2,524,365	5,745,822	3,439,129	1,472,956		
(b) Other Loans and Advances :						
(Unsecured, considered good )						
Prepaid Expenses						
	404,412	537,323	4,243,920	3,865,831		
Balance with Central Excise and other Government Authorities						
	-	-	8,362,040	7,140,315		
Advance Payment of Income Tax						
	-	-	63,740,295	64,823,580		
Advance to Employees						
	160,594	234,280	1,386,870	980,790		
Advance to Suppliers						
	510,174	510,174	54,753,645	5,445,798		
Other Advance						
	-	-	1,142,302	1,289,070		
		<b>3,599,545</b>	<b>7,027,599</b>	<b>137,068,201</b>	<b>85,018,340</b>	



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2015 (Rs.)	As at 31.03.2014 (Rs.)
<b>14. INVENTORIES</b>		
(As taken, valued and certified by the Management)		
(a) Raw Materials	2,333,684	235,281
(b) Stores and Spare Parts	573,793	1,289,260
(c) Finished Goods	1,626,251	10,266,681
(d) Traded Goods (Chemicals, Polymer & Others)	198,466,844	146,533,452
	<u>203,000,572</u>	<u>158,324,674</u>
<b>Details of Finished Goods / Raw Materials</b>	<b>Finished Goods</b>	<b>Raw Materials</b>
	As at	As at
	31.03.2015	31.03.2014
	(Rs.)	(Rs.)
Refrigerant Gas	678,233	9,023,728
Tea	948,018	1,242,953
	<u>1,626,251</u>	<u>10,266,681</u>
	<u>2,333,684</u>	<u>235,281</u>
	<u>2,333,684</u>	<u>235,281</u>
	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
<b>15. TRADE RECEIVABLES</b>		
(Unsecured, considered good unless otherwise stated)		
(a) Outstanding for a period exceeding six months from due date		
Unsecured, Considered Good	8,022,856	51,668,218
Unsecured, under litigation	47,179,657	-
Less: Provision	<u>12,374,347</u>	<u>790,548</u>
	<b>42,828,166</b>	<b>50,877,670</b>
(b) Other		
Unsecured, Considered Good	370,887,906	300,855,601
	<u>413,716,072</u>	<u>351,733,271</u>
<b>16. CASH AND CASH EQUIVALENTS</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
(a) Cash in hand	115,567	1,324,599
(b) Balance with Banks		
In Current Account	3,926,538	1,068,152
In EEFC Account	1,538,465	1,917,115
In Current Account (Foreign Countries)	30,679,928	6,256,058
<b>OTHER BANK BALANCES</b>		
(a) Earmarked Balances With Banks		
In Unpaid Dividend Account	136,915	128,970
(b) Margin Money held as Securities	155,373,532	46,100,000
	<u>191,770,945</u>	<u>56,794,894</u>
<b>17. OTHER CURRENT ASSETS</b>		
Unsecured, Considered Good unless otherwise stated		
(a) Accrued Commission	-	2,121,371
(b) Dividend & Interest Receivable	3,484,724	1,671,505
(c) Other Receivable	2,825,596	1,246,412
	<u>6,310,320</u>	<u>5,039,288</u>
	<b>For the year ended</b>	<b>For the year ended</b>
	<b>31.03.2015</b>	<b>31.03.2014</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
<b>18. REVENUE FROM OPERATIONS</b>		
(a) Sale of Products		
Tea (Including Export Sales of Rs 1,288,408 (Previous Year Rs. 2,975,334))	25,379,187	24,508,646
Refrigerant Gas	19,239,297	32,734,093
Wind Power	<u>9,328,871</u>	<u>9,290,931</u>
Traded Goods (Chemicals, Polymers & Others) (Including Export Sales of Rs. 234,855,262 (Previous Year - Rs. 199,128,701))	<u>2,061,655,588</u>	<u>2,778,568,094</u>
	<u>2,115,602,943</u>	<u>2,845,101,764</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
(b) Commission Income (Refer Note no- 28.01 of Other Notes to Account)	169,267,969	180,556,292
(c) Solar Training	3,269,041	1,687,495
(d) Other Operating Revenue		
Export Benefits	86,282	191,030
Revenue from operations (Gross)	<u>2,288,226,235</u>	<u>3,027,536,581</u>
Less: Excise Duty	2,063,062	3,727,574
Revenue from operations (Net)	<u>2,286,163,173</u>	<u>3,023,809,007</u>
<b>19. OTHER INCOME</b>		
Interest Income		
On Bond and Debenture	2,223,772	3,436,312
From Fixed Deposit	11,406,541	6,475,032
From Others	356,581	272,632
Dividend Income		
On long term Investments (including Rs. 846,885 for previous year)	1,388,653	6,399
On Current Investments	-	27,608
Income from Investments-Portfolio	335,946	326,886
Exchange Rate Fluctuation - Net	5,101,241	-
Rent Received	16,553,172	17,632,686
Liabilities no longer required written back	573,561	1,184,394
Subsidy	275,720	74,493
Profit on Sale of Fixed Assets - Net	493,614	1,823,526
Miscellaneous receipts	1,993,720	517,219
	<u>40,702,521</u>	<u>31,777,187</u>
<b>20. COST OF RAW MATERIAL CONSUMED</b>		
Refrigerant Gas	<u>8,298,514</u>	<u>30,439,754</u>
	<b>8,298,514</b>	<b>30,439,754</b>
<b>21. PURCHASES OF STOCK IN TRADE</b>		
Traded Goods (Chemicals, Polymers & Others)	<u>1,920,129,610</u>	<u>2,563,357,636</u>
	<b>1,920,129,610</b>	<b>2,563,357,636</b>
<b>22. CHANGE IN INVENTORIES</b>		
<b>Finished Goods</b>		
Opening Stock	10,266,681	5,764,937
Closing Stock	1,626,251	10,266,681
<b>Decrease /(Increase)</b>	<u>8,640,430</u>	<u>(4,501,744)</u>
<b>Stock in Trade</b>		
Opening Stock	146,533,452	158,906,149
Closing Stock	198,466,844	146,533,452
<b>Decrease /(Increase)</b>	<u>(51,933,392)</u>	<u>12,372,697</u>
<b>Change in inventory</b>	<u>(43,292,962)</u>	<u>7,870,953</u>
<b>23. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries, Wages, Bonus & Gratuity etc.	96,013,210	90,857,273
Managerial Remuneration	8,558,875	7,498,225
Contribution to Provident Fund	7,278,278	6,350,443
Staff Welfare	2,061,949	1,994,728
	<u>113,912,312</u>	<u>106,700,669</u>
<b>24. FINANCE COST</b>		
Bank Charges	7,419,154	9,134,273
Interest Paid to Bank	2,292,989	641,233
Interest on Others	-	1,736,986
	<u>9,712,143</u>	<u>11,512,492</u>
<b>25. DEPRECIATION</b>		
Depreciation	30,890,760	24,695,329
Less: Transfer to General Reserve & Deferred Tax	1,733,202	-
	<u>29,157,558</u>	<u>24,695,329</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)
<b>26. OTHER EXPENSES</b>		
Consumption of Stores & Spare parts etc.	975,960	1,304,141
Power & Fuel	5,113,220	3,645,623
Rent	12,641,516	11,885,241
Repairs to Plant & Machinery	119,904	224,514
Repairs to Buildings	4,062,272	2,685,486
Repairs to Others	6,723,949	6,259,907
Insurance	2,053,179	1,626,003
Rates & Taxes	3,865,787	4,552,543
Auditors' Remuneration		
Audit Fees	360,112	403,372
Tax Audit Fees	17,500	30,899
Certification Fees	50,562	28,090
Reimbursement of Expenses	9,101	35,902
Premium on currency hedging Contracts	12,221,294	15,624,473
Exchange Rate difference – Net	-	22,663,013
Selling & Distributing Expenses	35,670,620	29,891,979
Directors Sitting Fees	89,888	89,888
Travelling Expenses	13,864,102	12,186,451
Bad Debt	288,521	843,020
Provision for Bad & Doubtful Debts	11,924,435	283,447
Donation	31,000	2,500,000
Corporate Social Responsibility Expenses (Refer Note No. 28.07)	4,000,000	-
Miscellaneous Expenses	23,443,021	22,407,348
	<b>137,525,943</b>	<b>139,171,340</b>
	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
<b>27. CONTINGENT LIABILITIES &amp; COMMITMENTS:</b>		
<b>27.01 CONTINGENT LIABILITIES</b>		
(a) Bank Guarantees given to various Govt. Authorities/others	103,793,448	3,197,219
(b) (i) Income Tax demand under appeal	-	1,039,818
(ii) Sales Tax demand including penalty Rs. 5,303,960	8,839,933	8,839,933
<b>27.02 OTHER LITIGATIONS</b>		
The Company has filed law suit against certain customers for recovery of Rs. 47,179,657 appearing in Trade receivables (Refer Note No. 15)		
<b>27.03 COMMITMENTS</b>		
Estimated amount of Contract remaining to be executed on Capital Account and not provided for (Net of Advance) Rs. 510,174 (Previous Year Rs. 510,174)		
<b>28. OTHER NOTES TO ACCOUNTS</b>		
<b>28.01</b> Commission Income includes shipments made earlier years but advice received in Current Year Rs. 1,962,586 (Previous year Rs. 2,175,703)		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**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)-

Defined Contribution Plan: The Company contributed Rs 6,617,904 for all eligible employees towards Provident Fund managed by the Central Government.

(Amount in Rs.)

PARTICULARS	2014-15		2013-14	
	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 01-04-2014	15,009,682	4,184,942	13,645,621	3,215,852
EMPLOYER SERVICE COST	1,497,223	1,181,035	1,430,532	1,052,482
INTEREST COST	1,232,744	334,795	1,157,514	257,268
ACTUARIAL (GAINS) / LOSSES	417,066	(192,728)	(566,971)	41,065
BENEFITS PAID	(1,141,860)	(217,520)	(601,881)	(381,725)
<b>PRESENT VALUE OF DEFINED BENEFIT OBLIGATION AS ON 31-03-2015</b>	<b>17,014,855</b>	<b>5,290,524</b>	<b>15,064,815</b>	<b>4,184,942</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	10,170,462	-	9,367,945	-
EXPECTED RETURN ON PLANNED ASSETS	898,807	-	810,783	-
CONTRIBUTION	594,012	-	214,439	-
BENEFITS PAID	(1,047,494)	-	(225,981)	-
ACTUARIAL (GAINS) / LOSSES	-	-	3,276	-
<b>FAIR VALUE OF PLAN ASSETS AT YEAR END</b>	<b>10,615,787</b>	<b>-</b>	<b>10,170,462</b>	<b>-</b>
<b>C. RECONCILIATION OF FAIR VALUE OF ASSETS &amp; OBLIGATION</b>				
FAIR VALUE OF PLAN ASSETS AS AT 31.03.2015	10,615,786	-	10,170,462	-
FAIR VALUE OF OBLIGATION AS AT 31.03.2015	17,014,855	5,290,524	15,064,815	4,184,942
AMOUNT RECOGNISED IN BALANCE SHEET	6,399,069	5,290,524	4,894,353	4,184,942
<b>D. EXPENSES RECOGNISED DURING THE YEAR 2014-15</b>				
CURRENT SERVICE COST	1,497,223	1,181,035	1,430,532	1,052,482
INTEREST COST	1,232,744	334,795	1,157,514	257,268
EXPECTED RETURN ON PLANNED ASSETS	(898,807)	-	(810,783)	-
ACTUARIAL (GAINS) / LOSSES	417,066	(192,728)	(570,247)	41,065
<b>TOTAL</b>	<b>2,248,226</b>	<b>1,323,102</b>	<b>1,207,016</b>	<b>1,350,815</b>
<b>E. ACTUARIAL ASSUMPTIONS</b>				
MORTALITY TABLE (L.I.C. 1994-96)				
DISCOUNT RATE (PER ANNUM)	8%	8%	8%	8%
RATE OF ESCALATION IN SALARY	6%	6%	6%	6%

## NOTES TO THE CONSOLIDATED 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:

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. Limited	- Under Common Control
g) Kirtivardhan Finvest Services Limited	- 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:

(Amount in Rs.)

Nature of Transaction	Holding / Subsidiary		Enterprises Under Common Control		Key Management Personnel*	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>1. Interest paid</b>						
Vardhan Limited	--	--	--	207,123	--	--
Kirtivardhan Finvest Services Limited	--	--	--	253,151	--	--
<b>2. Managerial Remuneration</b>						
Mr. Surinder Kumar Kak	--	--	--	--	8,558,875	7,498,225
<b>3. Dividend paid</b>						
Vardhan Finvest Limited	42,357,000	28,226,000	--	--	--	--
<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.	--	--	2,490,389	1,517,584	--	--
APAG Elektronik S.R.O.	--	--	459,949	148,273	--	--
<b>7. Rent Received</b>						
Kanoria Chemicals & Industries Ltd.	--	--	412,500	1,612,500	--	--
<b>8. Rent Paid</b>						
Kanoria Chemicals & Industries Ltd.	--	--	645,963	767,538	--	--
<b>9. Assets Sale</b>						
Kanoria Chemicals & Industries Ltd.	--	--	--	266,667	--	--
<b>10. (a) Sale of Goods</b>						
Kanoria Chemicals & Industries Ltd.	--	--	--	581,427,023	--	--
Kanoria Africa Textiles PLC, Ethiopia	--	--	92,364,588	84,146,846	--	--
APAG Elektronik AG, Switzerland	--	--	--	327,593	--	--
APAG Elektronik S.R.O.	--	--	60,795,667	68,599,266	--	--
<b>10. (b) Reimbursements</b>						
APAG Elektronik AG, Switzerland	--	--	966,524	--	--	--
<b>11. Website Development</b>						
Breaking Wave Software Pvt. Limited	--	--	59,894	200,000	--	--
<b>12. Donation Paid</b>						
Sambhava Foundation	--	--	--	2,500,000	--	--
<b>13. CSR Paid</b>						
Sambhava Foundation	--	--	4,000,000	--	--	--
<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	--	--
Receivable -Kanoria Chemicals & Industries Ltd.	--	--	1,481,024	850,743	--	--
-Kanoria Africa Textile PLC	--	--	74,379,313	70,617,487	--	--
-APAG Elektronik S.R.O.	--	--	24,380,135	--	--	--
Remuneration payable to Mr. Surinder Kumar Kak					2,839,604	1,780,128

\* Excluding Actuarial Valuation of Gratuity & Leave Encashment

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	For the year ended 31.03.2015 (Rs.)	For the year ended 31.03.2014 (Rs.)																							
<b>28.04 Earning Per Share</b>																									
Profit for the year	100,591,930	113,084,461																							
Weighted average number of Equity Shares	15,160	15,160																							
<b>Basic &amp; Diluted earning per share of Rs. 1000/- each</b>	<b>6,635</b>	<b>7,459</b>																							
<b>28.05</b>	There is no separate reportable segment as per the criteria specified in Accounting Standard (AS) 17 "Segment Reporting" prescribed under Section 133 of the Companies Act, 2013.																								
<b>28.06</b>	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, 2015. 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.																								
<b>28.07 CSR Expenditure</b>																									
The Company undertook Corporate Social responsibility('CSR') programme and activities through a Trust registered under the Income Tax Act,1961.by contributing Rs 40,00,000/-.																									
(a) Gross Amount required to be spent by the Company during the year	3,795,732	--																							
(b) Amount spent by the Company through this trust:																									
Construction/acquisition of any assets	--	--																							
On purpose other than above	3,566,910	--																							
Yet to be spent	228,822	--																							
<b>28.08 Company considered in the Consolidated Financial Statements is :</b>																									
<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <thead> <tr> <th style="width: 25%;">Name of the Company</th> <th style="width: 25%;">Country of Incorporation</th> <th style="width: 25%;">Holding as on 31-03-2015</th> <th style="width: 25%;">Financial Year end on</th> </tr> </thead> <tbody> <tr> <td>KPL Logistics Ltd.</td> <td style="text-align: center;">India</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">31-03-2015</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Name of the Entity</th> <th colspan="2" style="width: 40%;">Net Asset, i.e., total Asset minus total Liabilities</th> <th colspan="2" style="width: 35%;">Share in Net Profit or Loss</th> </tr> <tr> <td></td> <th style="width: 15%;">% on Consolidated Net Profit</th> <th style="width: 25%;">Amount Rs.</th> <th style="width: 15%;">% on Consolidated Net Profit</th> <th style="width: 20%;">Amount Rs.</th> </tr> </thead> <tbody> <tr> <td>KPL Logistics Ltd.</td> <td style="text-align: center;">0.10</td> <td style="text-align: right;">598,357</td> <td style="text-align: center;">(0.02)</td> <td style="text-align: right;">(15,958)</td> </tr> </tbody> </table>			Name of the Company	Country of Incorporation	Holding as on 31-03-2015	Financial Year end on	KPL Logistics Ltd.	India	100%	31-03-2015	Name of the Entity	Net Asset, i.e., total Asset minus total Liabilities		Share in Net Profit or Loss			% on Consolidated Net Profit	Amount Rs.	% on Consolidated Net Profit	Amount Rs.	KPL Logistics Ltd.	0.10	598,357	(0.02)	(15,958)
Name of the Company	Country of Incorporation	Holding as on 31-03-2015	Financial Year end on																						
KPL Logistics Ltd.	India	100%	31-03-2015																						
Name of the Entity	Net Asset, i.e., total Asset minus total Liabilities		Share in Net Profit or Loss																						
	% on Consolidated Net Profit	Amount Rs.	% on Consolidated Net Profit	Amount Rs.																					
KPL Logistics Ltd.	0.10	598,357	(0.02)	(15,958)																					
<b>28.09</b>	The Company is eligible for MAT Credit Entitlement amounting to Rs. 3,428/- relating to assessment year 2014-15 which shall be available for set off against future tax liability for next nine assessment years. As a prudent measure the company has not accounted for above MAT Credit Entitlement.																								
<b>28.10</b>	Previous Year figures have been regrouped and rearranged where ever required.																								

Signatures to Notes 1 to 28.10

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: 16.06.2015

Surinder Kumar Kak  
Managing Director  
DIN: 00044521

M.L. Agarwal  
Chief Financial Officer

For and on behalf of the Board

R.V. Kanoria  
Chairman  
DIN: 00003792

Ummang Mutreja  
Company Secretary