

# KABSONS INDUSTRIES LIMITED

## 25<sup>th</sup> Annual Report 2016 – 2017

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

### COMMITTEES OF THE BOARD

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

Stock Exchanges Where company's Securities are Listed BSE Limited  
ISIN INE645C0101

### NOMINATION & REMUNERATION COMMITTEE

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

Registered Office Kabsons Industries Limited  
[CIN:L23209TG1993PLC014458]  
Plot No.48, # 8-3-1087, Srinagar Colony, Hyderabad – 500073  
Email:operationslpg@gmail.com / www.kabsonsindustrieslimited.com  
Phone No: 040 - 6663 0006

### SHARE TRANSFER & INVESTOR'S GRIEVANCE COMMITTEE

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

Bankers

HDFC Bank Limited  
State Bank of India

Auditors

M/s. BRAHMAYYA & CO.,  
Chartered Accountants,  
Flat No.403 & 404, Golden Green Appartments,  
Erramanzil Colony, Somajiguda, Hyderabad - 500 082.

Registrars & Share  
Transfer Agents

M/S.XL SOFTECH SYSTEMS LTD  
#3, Sagar Society, Hyderabad - 500 073.

Secretarial Auditors

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

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the twenty fifth Annual General Meeting of the members of the Company will be held on Friday, September 29, 2017 at 12.30 p.m. at the Registered Office of the Company situated at Plot No.48, Srinagar Colony, Hyderabad-500073, Telangana, India, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2017 together with the Reports of the Directors and Auditors thereon and in this regard pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT the audited accounts of the Company containing the Balance Sheet and the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2017 together with their annexure and the reports of the Auditors and Directors thereon be and are hereby received, considered, approved and adopted"
2. To reappoint a Director in place of Sri. Rajiv Kabra (DIN:00038605), who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint the auditors of the company  
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and based on the recommendations of the Audit Committee and the Board of Directors, approval of Members be and is hereby accorded to the appointment of M/s. K S Rao & Associates, Chartered Accountants (Firm Registration No.003109S ) as Statutory Auditors of the Company, in place of retiring auditors M/s. Brahmayya & Company, Chartered Accountants (Firm Registration No.000513S), to hold office from the conclusion of this 25<sup>th</sup> Annual General Meeting (AGM) until the conclusion of the 30<sup>th</sup> AGM, for a period of 5 years, and subject to ratification by members at every Annual General Meeting and at such remuneration and out of pocket expenses, as may be decided and approved by the Audit Committee and Board of Directors of the Company."

By Order of the Board of Directors  
For Kabsons Industries Limited

Sd/-

Nagaraju Musinam  
Company Secretary

Place : Hyderabad  
Date : 14-08-2017

**Registered Office:** Plot No 8, 8-3-1087, Srinagar Colony, Hyderabad-500073  
Email id: operationslpg@gmail.com

**NOTES**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Ordinary Business set out in the notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, are annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll in the meeting instead of such member. The proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member or shareholder.
3. A member of a company registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as its proxy unless such other person is also a member of such company.
4. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for this Annual General Meeting is enclosed.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.
7. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
8. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday 23 September, 2017 to Friday 29 September, 2017 (both days inclusive).
9. Additional Information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to Secretarial Standard on General Meeting (SS-2) in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar. SEBI has also mandated, that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company.

11. Electronic copy of the Annual Report 2016-17 along with the Notice of the 25<sup>th</sup> Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Registrar / Depository Participant(s), unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the Financial Year 2016-17 along with the Notice of the 25<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by other permissible modes.
12. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.
13. All documents referred to in the Notice and explanatory statement are open for inspection at the Registered office of the company during the normal business hours on all working days.
14. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which Directors are interested under section 189 will be made available for inspection by members of the Company at the meeting.
15. Members whose shareholding is in electronic mode are requested to update the change of address, email IDs and change in Bank Account details, if any with the respective Depository Participant(s).
16. With a view to using natural resources responsibly, we request the shareholders to update respective email addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically.
17. Members may also note that the Notice of the 25<sup>th</sup> Annual General Meeting and the Annual Report 2016-2017 is available on the Company's Website, [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com) Members who require physical copies may write to us at [kilshareholders@gmail.com](mailto:kilshareholders@gmail.com).
18. Members are requested to bring their copy of Annual Report to the Meeting.
19. In compliance with Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.
20. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 executed by the company with the BSE Limited, the company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

A member may exercise his/her votes at any General Meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with Companies (Management and Administration) Amendment Rules, 2015.

During the e-voting period, members of the Company holding shares either in physical form or dematerialised form, as on the cut-off date (record date) i.e., (Friday, September 22, 2017), may cast their votes electronically.

The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.

**The instructions for shareholders voting electronically are as under:**

- i. The voting period begins on Tuesday, 26<sup>th</sup> day of September, 2017 at 9.00 a.m. IST and ends on Thursday, 28<sup>th</sup> day of September, 2017 at 5.00 p.m. IST. During these period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Friday, 22<sup>nd</sup> day of September, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- ii. The shareholders should log on the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- iii. Click on “Shareholders” tab.
- iv. Now, select the “Company Name: Kabsons Industries Limited” from the drop down menu and click on “SUBMIT”
- v. Now Enter your User ID,
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification Code as displayed and Click on Login.
- vii. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Suresh Kumar with sequence number 1 then enter SU00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction “v”.</li> </ul>

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant KABSONS INDUSTRIES LIMITED EVSN Reference No: 170829039 on which you choose to vote.
- xiii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xvi. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xviii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Note for Institutional Shareholders
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



**Other Instructions:**

- i. The e-voting period commences on Tuesday, 26<sup>th</sup> day of September, 2017 at 9.00 a.m. IST and ends on Thursday, 28<sup>th</sup> day of September, 2017 at 5.00 p.m. IST. During this period, member of the company holding share either in physical form or in dematerialize form as on Friday, 22<sup>nd</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting Thereafter. Once the vote on resolution is cast by the member, he shall not be allowed to change it subsequently.
- ii. The voting rights of members shall be incorporation to their shares of the paid-up equity share capital of the company as on Friday, 22<sup>nd</sup> day of September, 2017.
- iii. CS.S.Srikanth, (Membership No.22119), Company Secretary in Practice, has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process and voting through ballot in a fair and transparent manner.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by the Chairman, who shall declare the result of the voting forthwith.
- v. The results declared along with the scrutinizers report shall be placed on the company website [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com) and with the website of CDSL within two days of passing of resolutions at the 25<sup>th</sup> AGM of the company on September 29, 2017 and communicated to the BSE Limited where the share of the company are listed.

**APPEAL TO MEMBERS**

The Company would like to appeal and encourage its members to hold their shares in Dematerialized (Demat) form. Managing your investment in securities is simple and easy in Demat/ Electronic form and it has many advantages over managing it in physical form as there is no scope of loss, misplacement, theft or deterioration of securities in Demat mode. The detailed procedure of Dematerialization of Shares is also given on the website of the Company under Investor Relations Section. The members may also get in touch with M/S.XL Softech Systems Ltd at [xlfield@rediffmail.com](mailto:xlfield@rediffmail.com), our Registrar and Share transfer Agent. The Company also appeals and requests the members to opt for Electroonic Clearing System (ECS) facility for receiving of Dividends.

By Order of the Board of Directors  
**For Kabsons Industries Limited**

Sd/-

Nagaraju Musinam  
 Company Secretary

Place : Hyderabad  
 Date : 14-08-2017

**Registered Office:** Plot No 8, 8-3-1087,Srinagar Colony, Hyderabad-500073  
 Email id: [operationslpg@gmail.com](mailto:operationslpg@gmail.com)

**Additional information on directors recommended for appointment / re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and Secretarial Standard-2**

<b>Name of the Director</b>	<b>Rajiv Kabra</b>
<b>DIN</b>	<b>00038605</b>
<b>Date of Birth</b>	<b>01/01/1966</b>
<b>Age</b>	<b>51 years</b>
<b>Qualification</b>	<b>M.B.A</b>
<b>Experience</b>	<b>26 years experience in Marketing and Administration.</b>
<b>Relationship with other director/Manager and other KMP</b>	<b>None</b>
<b>No of Shares held</b>	<b>91,17,400</b>
<b>Directorships of other Board</b>	<b>1</b>
<b>Membership/Chairmanship of Committees of other Board</b>	<b>Managing Director in PKL Limited</b>

**Note:** Pursuant to Regulation 26 of the SEBI Listing Regulations, for the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders Relationship Committee alone has been considered.

Except Mr. Rajiv Kabra and their relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 2 of the notice.

## BOARD'S REPORT

To

The Members of **KABSONS INDUSTRIES LIMITED**,

Your Directors hereby present the 25<sup>TH</sup> Annual Report and Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

### FINANCIAL RESULTS:

(Rs.in Lakhs)

	Year Ended 31.03.2017	Year Ended 31.03.2016
1) Sales, Other Income & Exceptional items	773.13	167.29
2) Profit before Interest and Depreciation	411.08	(1.28)
3) Depreciation	10.88	9.53
4) (Loss) Profit after Financial Charges and Depreciation	400.20	(10.81)

### DISCUSSION ON FINANCIAL PERFORMANCE:

During the year under consideration, the Company has generated profit of Rs.411.08 Lakhs before interest and depreciation as against a loss of Rs.1.28 Lakhs during the previous year, which includes lease income and lease income is the major source of revenue to the Company. Your Directors are hopeful of better performance with increased revenue in the next year.

### BUSINESS REVIEW

The Company has been focusing on Lease income or starting Gas business on its own brand as per business opportunities exists reviewing the situation from time to time keeping this in view, our Company had launched our LPG Cylinders in Domestic and Commercial Gas segment at our Palej (Gujarat) bottling plant through Distributor network from the month of August – 2016 and our Company is also making efforts to give bottling assistance to third party at this plant, being the biggest plant among others and hope to get bottling contract from them.

### LIQUEFIED PETROLEUM GAS (LPG) INDUSTRY OVERVIEW

Most of the LPG volume is handled by PSU's for domestic supplies. The Government of India already started steps not to pass on the monthly subsidy to the Customers who's total income is Rs.10 Lakhs or more and in addition to this it is also decided that the difference in price of subsidized domestic cylinders and non subsidized cylinders will be gradually abolished by increasing the price of subsidized cylinders so as to match with normal price of the cylinder.

### OUT LOOK:

All the Plants of our Company are operational either by our own or third party bottling or on leasing out. In view of this, the financial results for the year are more encouraging when compare to that of previous year and would be better for the coming years from 2017-18 onwards.

### FINANCIAL PERFORMANCE

The Following is the Financial Performance of your Company:

(Rs.in Lakhs)

	2016-17	2015-16	Inc/(Dec) %
<b>INCOME:</b>			
Sales	250.24	58.64	326.74
Other Income	158.65	136.13	16.54
Exceptional item	364.24	0	100.00
<b>Total</b>	<b>773.13</b>	<b>194.77</b>	<b>296.95</b>
Manufacturing Expenses	235.32	55.54	-323.69
Staff cost	51.22	42.39	-20.83
Other Expenses	75.51	70.65	-6.88
Exceptional Item	0	27.48	100.00
Depreciation	10.88	9.53	-14.17
<b>Total:</b>	<b>372.93</b>	<b>205.59</b>	<b>-81.40</b>
(Loss) / Profit	400.20	(10.82)	3798.71

**Material changes and commitments if any affecting the financial position of the Company occurred between the end of the financial year to which this Financial Statements relate and the date of the report**

There have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

**Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and the Company's operations in future**

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

**Share Capital:****Authorized Share Capital**

During the year under review, there was no change in authorized share capital of the Company. Authorized share capital of the company as on March 31, 2017 was Rs.18,00,00,000, comprising of 1,80,00,000 equity shares of Rs.10.00 each.

**Paid-up Share Capital**

During the year under review, there was no change in paid up share capital of the Company. Paid up share capital of the company as on March 31, 2017 was Rs.17,46,30,000, comprising of 1,74,63,000 equity shares of Rs.10 each.

**Buy Back of Securities**

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

**Sweat Equity**

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

**Bonus Shares**

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

**Employees Stock Option**

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

**Dividend**

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

**Transfers to Reserves**

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

**Fixed Deposits**

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

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

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

There were no materially significant transactions with Related Parties during the financial year 2016-17 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 were given as **Annexure - I** to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

**Related party Transactions:**

The details of the Related Party Transactions are furnished in Note 25.2 of the Notes on the Financial Statements attached to this Report.

All the related party transactions have been on an arm's length basis.

**Particulars of Loans, Guarantees or Investments**

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company neither has, directly or indirectly, given any loan to its Directors nor extended any guarantee or provided any security in connection with any loan taken by them. Further, the Company has neither given any inter-corporate loan / advance nor made any investments in other companies during the financial year 2016-17.

**Number of Board Meetings held**

The Board of Directors duly met 4 times during the financial year from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard -1.

**Directors and Key Managerial Personnel**

In terms of Section 152 of the Companies Act, 2013, Mr. Rajiv Kabra, Executive Director would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Mr. Rajiv Kabra has offered himself for re-appointment.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act 2013.

**Company Secretary and Compliance Officer**

During the year, Mr. Rakhil Panigrahi, Company Secretary, KMP and Compliance Officer of the Company resigned from the services of the Company. The resignation was effective from 13<sup>th</sup> February 2017. Consequent to Mr. Rakhil Panigrahi resignation, the Board appointed Mr. Nagaraju Musinam as the Company Secretary, KMP and Compliance Officer of the Company. The appointment was effective from 13<sup>th</sup> February, 2017.

**Declaration by Independent Directors**

The Independent Directors of the Company have submitted their declarations as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as per sub-section (6) of Section 149 of the Act.

**Familiarization programme for Independent Directors**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

**Independent Directors' Meeting**

The Independent Directors met on 13.02.2017, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Board Evaluation:**

The Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

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

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Board of Directors states that:

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

**Nomination and Remuneration policy**

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

**Statutory Auditors**

In terms of the provisions of Section 139(1) of Companies Act, 2013 (the "Act"), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. The Act further prescribes as per section 139(2), that the Company shall comply with requirements within a period not later than the date of First AGM held after three years from the commencement of this Act.

M/s. Brahmayya & Company, Chartered Accountants (Firm Registration No.000513S), Statutory Auditors of the Company have completed two consecutive terms of five years each. In terms of their appointment made at the 22<sup>nd</sup> AGM held on 30<sup>th</sup> September, 2014, they shall hold office of the auditors up to the conclusion of the 25<sup>th</sup> AGM. Your company's Board placed on record its appreciation and gratitude to M/s. Brahmayya & Company, the retiring Statutory Auditors for their long association with the Company and also thanked Mr.D Seetharamaiah, Mr. S S R Koteswara Rao and Mr.K Shravan Partners of M/s. Brahmayya & Company for their invaluable guidance rendered to the company.

Based on the recommendations of the Audit Committee and subject to the approval of the shareholders, it is proposed to appoint M/s. K S Rao & Associates, (Firm Registration No.003109S) Chartered Accountants as Statutory Auditors of the Company for a period of 5 years, commencing from the conclusion of 25<sup>th</sup> AGM till the conclusion of the 30<sup>th</sup> AGM. M/s. K S Rao & Associates, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act.



**Qualification by Statutory Auditor**

Information & Explanation in respect of Qualification / Reservation or Adverse remarks contained in Independent Auditors Report under Paras: Basis for Qualified opinion, Emphasis of Matter and Other Matters:

- A) In view of very limited strength of employees, presently working with the Company, the requirements of AS-15 Employee Benefits in respect of gratuity could not be complied with. However provision for gratuity as required under Payment of Gratuity Act has been provided for.
- B) Previous year Current Liabilities exceeded its Current Assets and net worth was completely eroded but financial statements were prepared on going concern basis inspite of threat to going concern basis. During the year Current Assets exceeded the Current Liabilities and net worth becomes positive and there is no threat to going concern basis.
- C) Interest for the year Rs.6,33,691/- on deposits of distributors/dealers has not been provided in view of company's adverse financial position and will be negotiated for waiver resulting to understatement of Loss by that amount and understatement of current liabilities by Rs.1,03,41,550/-
- D) The company could not get confirmation of balances in respect of Trade Receivables and Trade Payables other than due from/to related parties as most of them are very old and presently no transactions are being taken place with them.

This report form part of the Annual Report.

**Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. B S S & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2016-2017. The Secretarial Audit Report is annexed herewith as **Annexure - III**.

**Qualification by Secretarial Auditor**

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

**Internal Auditors**

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

**Internal financial control and its adequacy**

The Board of your Company has laid down internal financial controls which comply with the provisions of the Companies Act, 2013 and Listing Regulations with Stock Exchange and that such internal financial controls are adequate and operating effectively. Your Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**Vigil Mechanism / Whistle Blower Policy**

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

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. The policy also provided adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

Your Company hereby affirms that during the year no Director / employee have been denied access to the Chairman of the Audit Committee and that no complaints were received.

**Management Discussion and Analysis**

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

**Management of Risks**

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

### **Audit Committee**

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

### **Risk Management**

The Risk Management Committee duly constituted by the Board had formulated a Risk Management Policy for dealing with different kinds of risks attributable to the operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk Management procedure will be reviewed periodically by the Audit Committee and the Board.

### **Corporate Social Responsibility (CSR) Initiatives:**

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company ie. (a) networth of the Company to be Rs.500 crore or more; or (b) turnover of the company to be Rs. 1,000 crore or more; or (c) net profit of the company to be Rs. 5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of section 135 are not applicable to the Company.

### **Extract of Annual Return**

In accordance with the provisions of Section 134(3(a) of the Companies Act, 2013, an extract of the Annual Return in **Form MGT-9** is appended as **Annexure - IV** to the Board's Report.

### **Information on Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and outgo**

Pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 3 of Companies (Accounts) Rules, 2014, these particulars are not relevant to the Company's operations and hence not furnished the same.

### **Company's Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace**

The Company prohibits any form of sexual harassment and any such incidence is immediately investigated and appropriate action taken in the matter against the offending employee(s) based on the nature and the seriousness of the offence. The Company has a policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace (the Policy) and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" notified by the Government of India vide Gazette Notification dated 24th April, 2013.

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

### **Remuneration ratio of the Directors / Key Managerial Personnel (KMP) / Employees:**

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as **Annexure - V**.

### **Corporate Governance**

The Company is committed to good corporate governance in line with the SEBI (LODR) Regulations, 2015 and Provisions, Rules and Regulations of the Companies Act, 2013. The Company is in compliance with the provisions on corporate governance specified in the SEBI (LODR) Regulations, 2015 with BSE. A certificate of compliance from Mr. Sompally Srikanth, a practicing Company Secretary and the report on Corporate Governance form part of this Directors' Report as **Annexure - VI**.

### **Disclosures as per the SEBI (LODR) Regulations, 2015**

#### **Cash flow statement**

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

#### **Stock exchanges**

Company's equity shares are presently listed in the Stock exchanges of Mumbai (BSE), and other 2 stock exchanges at Ahmedabad and Kolkata.

There is an outstanding Listing Fee of Rs.20,025/- and Rs.1,64,420/- to Ahmedabad Stock Exchange Ltd and The Calcutta Stock Association Ltd respectively.

#### **Listing Agreement**

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said

regulations were effective 1<sup>st</sup> December, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited during February, 2016.

**Policies**

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

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

The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2016.

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

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

**iii) Policy on Document Retention**

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

**Share transfer agency**

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

**Code of conduct**

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

**Awards and recognition**

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

**Acknowledgments**

The Directors wish to place on record their gratitude to shareholders and thank the customers, vendors, franchisees, bankers, Department of Explosives and their Officials, Central Excise, Pollution Control Boards and Commercial Tax Departments of respective States, host of other State and Central Government Departments, Security Exchange Board of India and Stock Exchanges at Mumbai, Ahmedabad and Kolkata and others for their continued support to the Company's growth. The Directors also wish to place on record, their appreciation for the contribution made by the employees at all levels, for their sincerity, hard work, solidarity and dedicated support to the Company.

By Order of the Board of Directors  
**For Kabsons Industries Limited**

Sd/-

Rajiv Kabra  
Executive Director

Place : Hyderabad  
Date : 14-08-2017

**ANNEXURE TO DIRECTORS' REPORT**

**ANNEXURE - I**

**Disclosure of Particulars of Contracts / Arrangements entered into by the Company**

**Form No. AOC-2**

*(Pursuant to section 134(3)(h) of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013:

1. There are no contracts / arrangements entered into by the Company with related parties which are not at arms length basis.
2. There are no material contracts / arrangements entered into by the Company with related parties which are not at arms length basis.
3. There were no materially pecuniary relationships or transactions of the non-executive directors vis-avis the Company.
4. Details of non-material contracts/arrangements entered into by the Company with related parties are as under.

Sl. No.	Name of the related party and nature of relationship	Nature of contracts/ arrangements	Duration of contracts / arrangements	Salient terms of contracts or arrangements including the value; if any	Date of approval, by the Board,	Justification for entering into contract/ arrangements
1.	Ideal Engineers Hyderabad Pvt. Limited, Hyd.  Directors of above Company are relatives of Executive Director	Availing of Services: LPG Bottling & Storage	3 years w.e.f. 01.04.2017	Re 1/- per kg. for bottled LPG into Cylinders and Annual Fixed Charges Rs. 50,000/- plus Service Tax	13.02.2017	Company doesn't have any Bottling plant at Hyd. Hence the contract is entered into at arms length Contract at prevailing market rates

## ANNEXURE - II

## NOMINATION AND REMUNERATION POLICY

**Introduction**

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

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

**Objective and purpose of the policy**

The objectives and purpose of this policy are

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

**The committee**

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

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

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

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

**Executive Directors**

The Policy relating to appointment of executive directors is to

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



## PART II REMUNERATION POLICY

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

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

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

### Remuneration of Executive Directors and Key Managerial Personnel

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

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

### Remuneration of Non-executive Directors

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

### Policy relating to Remuneration of Directors etc

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

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

## ANNEXURE - III SECRETARIAL AUDIT REPORT Form No. MR-3

### Secretarial Audit Report For the Financial Year ended 31<sup>st</sup> March, 2017

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

To,  
The Members,  
**Kabsons Industries Limited,**  
CIN: L23209TG1993PLC014458,  
Plot No. 8, 8-3-1087, Srinagar Colony,  
Hyderabad, Telangana-500073.

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

Based on our verification of **M/s. Kabsons Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable to the Company during the Audit Period;**
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable as the Company has not issued any debt securities during the audit period;**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the audit period;**
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable as the Company has not delisted / propose to delist its equity shares from any stock exchange during the audit period;** and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable as the Company has not bought back / propose to buyback any of its securities during the audit period;**
6. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company  
We have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards issued by the Institute of Company Secretaries of India, effective from 1 July 2015; and
  - (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that**, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / Chief Financial Officer / Whole-time Director taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws including Industrial Laws, Environmental Laws, Competition Law, Human Resources and Labour laws.

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The Changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**We further report that**, the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Meetings of the Board and its Committees. Agenda and detailed notes on agenda were sent to all the directors at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications as may be required on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and there were no dissenting views.

**We further report that**, there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that**, during the audit period no event has occurred during the year which has a major bearing on the Company's affairs.

For B S S & Associates  
Company Secretaries  
Sd/-

Place : Hyderabad  
Date : 14-08-2017

S. Srikanth (Partner)  
C.P. No. 7999

This Report is to be read with our letter of even date which is annexed to the report and forms an integral part of this report.

To,  
The Members,

**Kabsons Industries Limited,**  
CIN: L23209TG1993PLC014458,  
Plot No. 8, 8-3-1087, Srinagar Colony,  
Hyderabad, Telangana-500073.

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

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

For B S S & Associates  
Company Secretaries  
Sd/-

Place : Hyderabad  
Date : 14-08-2017

S. Srikanth (Partner)  
C.P. No. 7999

**ANNEXURE - IV  
Form No. MGT-9**

EXTRACT OF ANNUAL RETURN for the financial year ended on March 31, 2017

[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	L23209TG1993PLC014458
ii) Registration Date	29.03.1993
iii) Name of the Company	KABSONS INDUSTRIES LIMITED
iv) Category / Sub-Category of the Company	Public Company Limited by Shares
v) Address of the Registered Office and contact details	Plot No. 8, 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad, Telangana - 500073.
vi) Whether listed Company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	XL SOFTECH SYSTEMS LIMITED # 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad, Telangana - 500034. Tel: 040-23545913/14/15, Fax: 040-23553214.

**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 and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	LPG Filling & Trading	19203	77.77
2	Plant Lease charges		22.23
			100.00

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

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Shareholding									
S.No	Category of Shareholders	No. of Shares held at the beginning of the year (as on 01-04-2016)	No. of Shares held at the end of the year (as on 31-03-2017)	% change during the year	Physical	Demat	Total		
		Demat	Physical	Total	% of Total Shares	Physical	Demat	Total	% of Total Shares
<b>A. Promoters</b>									
(1)	Indian	92,21,400	—	92,21,400	52.81	—	92,21,400	92,21,400	52.81
a)	Individual/HUF	26,59,250	—	26,59,250	15.23	—	26,59,250	26,59,250	15.23
b)	Central Govt. or State Govt.	—	—	—	—	—	—	—	—
c)	Bodies Corporates	—	—	—	—	—	—	—	—
d)	Bank/FI	—	—	—	—	—	—	—	—
e)	Any other	—	—	—	—	—	—	—	—
<b>SUB TOTAL:(A) (1)</b>		1,18,80,650	—	1,18,80,650	68.03	—	1,18,80,650	1,18,80,650	68.03
<b>(2) Foreign</b>									
a)	NRI- Individuals	—	—	—	—	—	—	—	—
b)	Other Individuals	—	—	—	—	—	—	—	—
c)	Bodies Corp.	—	—	—	—	—	—	—	—
d)	Banks/FI	—	—	—	—	—	—	—	—
e)	Any other....	—	—	—	—	—	—	—	—
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>		1,18,80,650	—	1,18,80,650	68.03	—	1,18,80,650	1,18,80,650	68.03
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a)	Mutual Funds	5,01,000	100	5,01,100	2.87	100	5,01,000	5,01,100	2.87
b)	Banks/FI	—	—	—	—	—	—	—	—
c)	Central govt	—	—	—	—	—	—	—	—
d)	State Govt.	—	—	—	—	—	—	—	—
e)	Venture Capital Fund	—	—	—	—	—	—	—	—
f)	Insurance Companies	—	—	—	—	—	—	—	—
g)	FIIIS	—	—	—	—	—	—	—	—
h)	Foreign Venture Capital Funds	—	—	—	—	—	—	—	—
i)	Others (specify)	—	—	—	—	—	—	—	—
<b>SUB TOTAL (B) (1) :</b>		5,01,000	100	5,01,100	2.87	100	5,01,000	5,01,100	2.87
<b>(2) Non Institutions</b>									
a)	Bodies corporates	71,100	69,000	1,40,100	0.80	69,000	70,503	1,39,503	0.79
i)	Indian	—	—	—	—	—	—	—	—
ii)	Overseas	—	—	—	—	—	—	—	—
b)	Individuals	11,32,365	29,57,436	40,89,801	23.42	29,57,436	11,76,739	40,85,875	23.40
i)	Individual shareholders holding nominal share capital upto Rs.1 lakh	4,10,549	2,20,200	6,30,749	3.61	2,20,200	4,18,072	6,38,272	3.66
ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	19,700	2,00,900	2,20,600	1.26	2,00,900	16,700	2,17,600	1.24
c)	Others (specify)	16,33,714	34,47,536	50,81,250	29.10	34,47,536	16,82,014	50,81,250	29.10
<b>SUB TOTAL (B) (2):</b>		21,34,714	34,47,636	55,82,350	31.97	34,47,636	21,83,014	55,82,350	31.97
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>		1,40,15,364	34,47,636	1,74,63,000	100.00	34,47,636	1,40,63,664	1,74,63,000	100.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>		1,40,15,364	34,47,636	1,74,63,000	100.00	34,47,636	1,40,63,664	1,74,63,000	100.00



**IV(ii) SHAREHOLDING OF PROMOTERS**

S No	Shareholder's Name	Shareholding at the beginning of the year ( as on 01-04-2016)		Shareholding at the end of the year ( as on 31-03-2017)		% change in shareholding during the year
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company	
1	RAJIV KABRA	91,17,400	52.21	91,17,400	52.21	—
2	SATISH KABRA	81,000	0.46	81,000	0.46	—
3	KAVITHA KABRA	20,400	0.12	20,400	0.12	—
4	G K KABRA	2,100	0.01	2,100	0.01	—
5	RUCHIRA KABRA	500	0.00	500	0.00	—
6	LATA ENGINEERING COMPANY P. LTD	10,11,000	5.79	10,11,000	5.79	—
7	KABSONS GAS EQUIPMENTS P. LTD	7,38,850	4.23	7,38,850	4.23	—
8	IDEAL ENGINEERS HYDERABAD P. LTD	5,31,800	3.05	5,31,800	3.05	—
9	PKL LIMITED	2,00,000	1.15	2,00,000	1.15	—
10	KABSONS TECHNOLOGIES P. LTD	1,41,000	0.81	1,41,000	0.81	—
11	GASOLEC APPLIANCES P. LTD	16,600	0.10	16,600	0.10	—
12	PRAKUN EQUIPMENTS P. LTD	20,000	0.11	20,000	0.11	—
	<b>Total</b>	<b>1,18,80,650</b>	<b>68.03</b>	<b>1,18,80,650</b>	<b>68.03</b>	<b>—</b>

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

S No	Particulars	Shareholding at the beginning the year ( as on 01-04-2016)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year ( as on 31-03-2017)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
	<b>At the beginning of the Year</b>	<b>1,18,80,650</b>	<b>68.03</b>				---	---
	<b>At the end of the year</b>	---	---				<b>1,18,80,650</b>	<b>68.03</b>

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

S No	Name	Shareholding at the beginning the year (as on 01-04-2016)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (as on 31-03-2017)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	ICICI Bank Ltd	5,00,000	2.86	-	-	Nil	5,00,000	2.86
2	M Krishna Murthy	1,51,950	0.87	-	-	Nil	1,51,950	0.87
3	Amrutlal Ramji	95,100	0.54	-	-	Nil	95,100	0.54
4	Gyan Kumar Jhawar	31,800	0.18	-	-	Nil	31,800	0.18
5	Veena Jain	30,000	0.17	-	-	Nil	30,000	0.17
6	Mohammad Ayub Shaikh	29,500	0.17	-	-	Nil	29,500	0.17
7	Taranjitsingh Sethi	28,800	0.16	-	-	Nil	28,800	0.16
8	Allan Keith Remedios	25,000	0.14	-	-	Nil	25,000	0.14
9	Govind Agarwal	25,000	0.14	-	-	Nil	25,000	0.14
10	B Sabitha Reddy	22,700	0.13	-	-	Nil	22,700	0.13

IV (v) Shareholding of Directors and Key Managerial Personnel

S No	For each of the Directors and KMP	Shareholding at the beginning the year (as on 01-04-2016)		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (as on 31-03-2017)	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	<b>Directors</b> Rajiv Kabra Executive Director DIN: 00038605	91,17,400	52.21	-	-	-	91,17,400	52.21
2	P V Subba Rao Non-Executive/Independent Director DIN: 02299552	200	0.00	-	-	-	200	0.00
3	Mangal Rathi Non-Executive / Independent Director (Woman) DIN: 06966755	2,500	0.01	-	-	-	2,500	0.01
1	<b>Key Managerial Personnel</b> M.Krishna Murthy Chief Financial Officer	1,51,950	0.87	-	-	-	1,51,950	0.87

**V INDEBTEDNESS** in INR '000s  
 Indebtedness of the Company including interest outstanding/accrued but not due for payment : **NIL**

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A Remuneration to Managing Director, Whole time Directors and / or Manager: NIL**

**B Remuneration to other directors:**

Sl.	Particulars of Remuneration	Name of Director P V Subba Rao	Name of Director Mangal Rathi	Total Amount
1	Independent Directors – Fee for attending Board/Committee meetings Ceiling as per the Act	26,665	26,665	53,330

**C Remuneration to Key Managerial personnel other than MD/Manager/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Executive Director	Company Secretary	CFO	
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	2,39,286	12,80,475	15,19,761
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	2,21,525	2,21,525
	<b>Total</b>	-	<b>2,39,286</b>	<b>15,02,000</b>	<b>17,41,286</b>

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

**A. Company : NIL**

**B. Directors NIL**

**C. Other officers in Default : NIL**

**ANNEXURE - V**

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S.No	Name	Designation	Remuneration Paid For the year 2016-17	Remuneration Paid For the year 2015-16	Increase in Remuneration From Previous Year	Ratio/times for median of Employee Remuneration
1	M Krishna Murthy	Chief Financial Officer	15,02,000	13,32,000	1,70,000	11.08 : 1

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

b) Comparison of remuneration of each Key Managerial Personnel against the performance of the Company: Company is having mainly income from Plant leases. Hence not comparable with the performance of the company.

**ANNEXURE - VI**

**CERTIFICATE ON CORPORATE GOVERNANCE**

**REPORT ON CORPORATE GOVERNANCE**

**Corporate Governance Philosophy**

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

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

The Board consists of 3 Directors as on 31<sup>st</sup> March 2017. The composition of the Board is in conformity with Regulation 17 of the SEBI (LODR) Regulations, 2015. The day-to-day management of the company was carried on by the **Rajiv Kabra**, Executive Directors of the company.

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

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

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31<sup>st</sup> March 2017 is given below:

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

**Notes:**

- Other directorships exclude foreign companies, private limited companies and alternate directorships.
- Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.

**b) Board Procedure:**

During the year under review Board met six times on 09.04.2016, 30.05.2016, 28.07.2016, 13.08.2016, 14.11.2016 and 13.02.2017. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 days.

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

Name of Director	Meetings		Attendance at last AGM held on August 29, 2016
	Held	Attended	
Rajiv Kabra	6	6	Yes
P V Subba Rao	6	6	Yes
Mangal Rathi*	6	6	Yes

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



strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

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

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

**Independent directors meeting**

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

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

**2. AUDIT COMMITTEE**

The audit committee assists the board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems/ financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor. The audit committee takes note of any default in the payments to creditors and shareholders. The committee also looks into those matters specifically referred to it by the Board. The statutory auditors were present at all audit committee meetings. The audit committee comprised of the following directors for the year ended 31st March 2017:

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

As on 31<sup>st</sup> March 2017 the committee comprised of two independent directors and one executive director, all of whom are financially literate and have relevant finance / audit exposure. The chief financial officer is permanent invitee to the meetings of the committee. The other directors are invited to attend the audit committee meetings as and when required. The composition of the audit committee is as per and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 29<sup>th</sup> August 2016. The audit committee met 4 times during the year on 30.05.2016, 13.08.2016, 14.11.2016 and 13.02.2017. The details are as follows:

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

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

**3. Nomination and Remuneration Committee**

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

- (A) appointment of the directors, and key managerial personnel of the Company; and
- (B) fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.

**(II) Composition of committee**

The Nomination and Remuneration Committee comprised of the following directors for the year ended 31st March 2016:

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

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

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Mr. P V Subba Rao - Member	Independent & Non-Executive Director	2	2
Ms. Mangal Rathi - Member	Independent & Non-Executive Director	2	2
Mr. Rajiv Kabra - Member	Chairman & Executive Director	2	2

This committee recommends the appointment/reappointment of executive directors and the appointments of employees from the level of vice-president and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry. The Remuneration Committee comprises of 3 non-executive and independent directors. Mr. P V Subba Rao was the chairman of the committee. Mr. Rajiv Kabara and Ms. Mangal Rathi are the other members. During the financial year 2016-2017 the committee met on 13.08.2016 and 13.02.2017.

**Criteria for Performance evaluation:****(IV) Remuneration Policy:**

The Policy inter alia provides for the following:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

**(V) Criteria for making payments to Non- Executive Directors:**

The Company has not made any payments to the Non- Executive Directors except sitting fees for attending Board of Directors meetings.

**(VI) Remuneration paid to Directors**

Of the total 3 directors, one is executive director. The remuneration payable to these directors is determined by the Board on the recommendation of the remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. However no remuneration is being paid even to the Executive Director. The non executive directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees.

**a) Details of Remuneration paid to the all the Directors during the financial year 2016-2017 : NIL****b) Details of Sitting Fees paid to Non-Executive Directors during the financial year 2016-2017**

During the year Rs.26,665/- each to Mr.P V Subba Rao and Mrs.Mangal Rathi have been paid towards Sitting fees for the Board Meetings.

There was no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31<sup>st</sup> March, 2017.

**c) Details of shareholding of Directors as on 31st March 2017**

As on 31<sup>st</sup> March 2017, the company had one executive director and two non-executive directors. The Executive director, Mr. Rajiv Kabra holds 91,17,400 equity shares in the company. Among the non-executive directors Mr. P V Subba Rao holds 200 equity shares and Mrs. Mangal Rathi holds 2,500 equity shares in the company.

**4. Stakeholders' Relationship Committee:**

Mr. P V Subba Rao, Non-Executive director was the Chairman of the committee. Mrs Mangal Rathi, and Mr. Rajiv Kabra are the other members of the committee which also constitute as Share Transfer Committee to approve share transfer, transmissions, issue of duplicate share certificates, rematerialisation of shares etc.

The committee met regularly to approve share transfers, transmissions, issue of duplicate share certificates, rematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non receipt of dividend warrants, non receipt of share certificates, etc. The committee regularly reviews the movement in shareholding and ownership structure. The committee also reviews the performance of the Registrar and Share Transfer Agents. The committee met 4 times during the year 2016-2017.

**Complaints received and redressed during the year 2016-2017**

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

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Mr. Rajiv Kabra is the compliance officer of the company. For any clarification / complaint the shareholders may contact Mr. Rajiv Kabra, Compliance Officer at the registered office of the company.

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

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Mr. P V Subba Rao - Member	Independent & Non-Executive Director	4	4
Smt.. Mangal Rathi - Member	Independent & Non-Executive Director	4	4
Mr. Rajiv Kabra – Chairman	Executive Director	4	4

**5. Risk Management Committee**

The Company has constituted a Risk Management Committee. The Committee is required to lay down the procedures to inform to the Board about the risk assessment and minimization procedures and the Board shall be responsible for framing, implementing and monitoring the risk management plan of the Company. During the year under review, the Risk Management Committee met on 13.08.2016

The composition of the Committee and details of meetings attended by the members of the Committee are given below:

**Attendance of each Director at Risk Management Committee Meeting**

Name of the Director	Category	Number of committee meetings	
		Held	Attended
Mr. Rajiv Kabra – Chairman	Executive Director	1	1
Mr. P V Subba Rao - Member	Independent & Non-Executive Director	1	1
Smt. Mangal Rathi - Member	Independent & Non-Executive Director	1	1

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

**Investor grievance and share transfer**

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

**7. Familiarization programme for Independent Directors**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

**8. Annual General Meetings**

The details of the Annual General Meetings / Extraordinary General Meeting held in the last three years are as follows:

**(i) Annual General Meetings of the Company :**

Venue	Financial Year	Date & Time
At Registered Office: 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad-73	2015-2016	29 <sup>th</sup> August, 2016, 4 P.M
At Registered Office: 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad-73	2014-2015	28 <sup>th</sup> September, 2015, 4 P.M
At Registered Office: 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad-73	2013-2014	30 <sup>th</sup> September, 2014, 4 P.M

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

AGM	Subject
August 29, 2016	Nil
September 28, 2015	Nil
September 30, 2014	Nil

**(iii) Whether special resolutions were put through postal ballot last year, details of voting pattern:**

No special resolutions were necessitated and passed by the shareholders of the company through postal ballot during the year 2016-2017.

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

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

**9. Subsidiary Companies**

Kabsons Technologies P. Ltd, subsidiary of the Associate Company doesn't come under the purview of the term 'material non listed Indian subsidiary' as defined under Clause 24 of the Listing Agreement.

**10. Whistle Blower Policy**

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

**11. Disclosures**

**(a) Related Party Transaction:**

There have been no materially significant related party transactions with the company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in Annexure – II of Directors Report and notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

**(b) Accounting Treatment:**

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

**(c) Management Discussion and Analysis**

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

**(d) Compliances:**

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

**(e) CEO/CFO Certification**

The Chief Executive Officer and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2017 as required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**(f) Reconciliation of Share Capital Audit**

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March 2017 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 1,40,63,664 equity shares representing 80.53% of the paid up equity capital have been dematerialized as on 31<sup>st</sup> March 2017.



**12. Means of Communication**

- (a) The quarterly, half-yearly and annual results are published in leading newspapers such as The Financial Express and Nava Telangana. These are not sent individually to the shareholders.
- (b) The company's website address is: [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com). The website contains basic information about the company and such other details as required under the listing agreement. The company ensures periodical updating of its website. The company has designated the email-id [kilshareholders@gmail.com](mailto:kilshareholders@gmail.com) to enable the shareholders to register their grievances.
- (c) Pursuant to the SEBI (LODR) Regulations, 2015, all data related to quarterly financial results, shareholding pattern, etc., are filed in BSE Listing Centre within the time frame prescribed in this regard.
- (d) No presentations have been made to institutional investors or to analysts.

**13. Code of Conduct for the Board of Directors and the Senior Management**

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com). As provided under the SEBI (LODR) Regulations, 2015 with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2016-2017.

**14. General Shareholder Information**

**a) Company Registration details:**

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

**b) Annual General Meeting**

Date and time	29.09.2017 at 12.30 p.m
Venue :	At Registered office: #8-3-1087, Plot No.48, Srinagar Colony, Hyderabad – 500 073 (Telangana)
Book Closure Date	23.09.2017 to 29.09.2017 (both days inclusive)
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March

**c) Registered Office:**

# 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad, Telangana-500 073.

**d) Financial Year**

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

**Financial Calendar 2017-2018**

Particulars	Tentative Schedule
Quarter ending on 30 <sup>th</sup> June, 2017	On or before September 14, 2017
Quarter ending on 30 <sup>th</sup> September, 2017	On or before November 14, 2017
Quarter ending on 31 <sup>st</sup> December, 2017	On or before February 14, 2018
Quarter ending on 31 <sup>st</sup> March, 2018 & Annual Result of 2017-2018	On or before May 30, 2018
Date of Book Closure	September 23, 2017 to September 29, 2017 (both days include)

**e) Book closure date:**

The Register of Members and Share Transfer Books of the Company will be closed from Saturday, September 23, 2017 to Friday September 29, 2017 (both days inclusive) for the purpose of 25<sup>th</sup> Annual General Meeting.

**f) Particulars of Dividend for the year ended 31.03.2017**

Company has not declared any dividend.

**g) Listing of Shares**

Name of the Stock Exchange	:	Stock Code
BSE Limited, Mumbai	:	524675
The Stock Exchange, Ahmedabad	:	
The Calcutta Stock Association Ltd	:	
ISIN allotted by Depositories (Company ID Number)	:	-
	:	INE645C01010

Note: Annual Listing fees for the year 2016-17 were duly paid only to the BSE Limited.

**h) Stock Market Data**

Trading of our Company's shares are started during May 2016 after completing all the requirements of the BSE. Monthly High and Low Stock Quotations for preceding 12 months of the Accounting year under review

Month & Year	BSE Limited	
	Price (Rs.) High	Price (Rs.) Low
April, 2016	--	--
May, 2016	12.50	11.88
June, 2016	11.29	8.32
July, 2016	7.91	5.83
August, 2016	5.54	4.09
September, 2016	4.12	3.33
October, 2016	4.31	2.88
November, 2016	3.40	2.86
December, 2016	3.46	2.74
January, 2017	2.96	2.65
February, 2017	3.69	2.71
March, 2017	4.67	3.87

**i) Registrar and Share Transfer Agents**

M/s.XL Softech Systems Limited, having its registered office at #3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034 are the Registrars for the demat segment and also the share transfer agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment is handled by the share transfer agent. Share transfers are processed within 15 days of lodgement. A Compliance officer certifies on a quarterly basis the timely dematerialization of shares of the company.

**j) Request to Investors**

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

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

**k) Shareholding Pattern as on 31<sup>st</sup> March 2017**

Particulars	Number of Share holders	Shares held in Physical form	Shares held in dematerialized form	Total Number of Shares held	% of capital
<b>Promoter and Promoter Group</b>					
a. Bodies Corporate	7	-	26,59,250	26,59,250	15.23%
b. Directors & their relatives	5	-	92,21,400	92,21,400	52.81%
<b>Public Shareholding</b>					
I. Institutions					
a. Mutual Funds/UTI	-	-	-	-	-
b. Financial Institutions/Banks	3	100	5,01,000	5,01,100	2.87%
c. Insurance Companies	-	-	-	-	-
d. Foreign Institutional Investors	-	-	-	-	-
II. Non Institutions					
a. Bodies Corporate	152	69,000	70,003	1,39,003	0.80%
b. Individuals	18121	31,29,336	15,95,311	47,24,647	27.05%
c. Non Resident Indians	42	2,00,900	16,700	2,17,600	1.24%
<b>Total</b>	<b>18,330</b>	<b>33,99,336</b>	<b>1,40,63,664</b>	<b>1,74,63,000</b>	<b>100%</b>

**l) Distribution of Shareholding as on 31<sup>st</sup> March 2017**

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
Upto 500	17,272	21,86,681	12.52
501-1000	361	2,97,882	1.71
1001-2000	165	2,50,197	1.43
2001-3000	386	9,71,187	5.56
3001-4000	22	78,999	0.45
4001-5000	48	2,32,932	1.33
5001-10000	34	2,84,600	1.63
10001 and Above	42	1,31,60,522	75.36
<b>Total</b>	<b>18,330</b>	<b>1,74,63,000</b>	<b>100.00</b>

**m) Plant Locations**

- 1) Plot No.B-3, M.I.D.C, Waluj, Aurangabad, Maharashtra – 431 136
- 2) Plot No.706 & 708, GIDC, Palej Industrial Estate, Gujarat – 392 220
- 3) Plot No.A-134, Hirawala Industrial Area, Kanota, Jaipur, Rajasthan-303012
- 4) Plot No.37, Belur Industrial Estate, Dharwad, Karnataka – 580 011
- 5) Plot No.32, Khurda Industrial Estate, Khurda, Orissa – 752 055
- 6) Plot No.124 & 125, Tupudana Industrial Area, P.O Hatia, Ranchi – 834 003
- 7) Killa No.170 & 171 Sampla Berry Road, Ismaila Village, Rohtak, Haryana - 124517

**n) Address for Correspondence**

To contact Registrars & Share Transfer Agents for matters relating to shares

M/s. XL Softech Systems Ltd  
# 3, Sagar Society, Road No.2,  
Banjara Hills, Hyderabad – 500 034  
Tel : 91-40 23545913 / 14  
Fax : 91-40-23553214  
E-mail : xlfield@rediffmail.com

For any other general matters or in case of any difficulties / grievance

Mr. M. Nagaraju  
Company Secretary cum Compliance Officer  
Tel : 91-40 23740548  
Fax : 91-40 23741096  
E-mail : kilshareholders@gmail.com

Email : operationslpg@gmail.com

Grievance redressal division Email: kilshareholders@gmail.com

**15. Non-Mandatory Disclosures:**

The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed below:

**(i) The Board**

Independent Directors possess the requisite qualification and experience to contribute effectively to the company in their capacity as independent director.

**(ii) Shareholders Right:**

The quarterly, half yearly and annual results of your Company with necessary report thereon are published in newspapers and posted on Company's website. The same are also available at the sites of the stock exchanges where the shares of the Company are listed i.e. www.bseindia.com and www.kabsonsindustrieslimited.com.

**(iii) Audit Qualifications**

The statutory financial statements of the company are qualified.

**(iv) Reporting of Internal Auditor**

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members. The Internal Auditor of the company directly reports to the Audit Committee.

**ANNEXURE - VII**

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

To  
The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2017.

Place : Hyderabad  
Date : 14-08-2017

Sd/-  
Rajiv Kabra  
Executive Director

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

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

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

Place : Hyderabad  
Date : 14-08-2017

Rajiv Kabra  
Executive Director

M Krishna Murthy  
Chief Financial Officer

**Certificate on Corporate Governance**

To,  
The Members of  
Kabsons Industries Limited.

We have examined the compliance of conditions of Corporate Governance by Kabsons Industries Limited for the year ended March 31, 2017 as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned SEBI (LODR) Regulations, 2015.

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

For B S S & Associates  
Company Secretaries

Sd/-  
S.Srikanth  
Partner  
C.P. No. 7999

Place : Hyderabad  
Date : 14-08-2017

**Declaration by Executive Director**

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

Place : Hyderabad  
Date : 14-08-2017

Rajiv Kabra  
Executive Director

## INDEPENDENT AUDITORS' REPORT

## To the Members of KABSONS INDUSTRIES LIMITED

## Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone Financial Statements of **KABSONS INDUSTRIES LIMITED, HYDERABAD (Telangana)** ("The Company") which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, cash flow statement for the year then ended, and a Summary of Significant Accounting Policies and other explanatory information.

**Management's responsibility for the Standalone Financial Statements**

2. 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.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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**

4. 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 there under. 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.
5. 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. 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.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

**Basis for qualified opinion:**

7. *The Company has not adopted and complied with the requirements of AS-15 'Employee Benefits' in respect of the Gratuity liability which constitute a departure from the Accounting standards referred in section 133 of the Act. In view of this the liability of the company in this regard could not be ascertained. Consequently, we are unable to comment about the impact of the same on the profit for the year, income tax and shareholder's funds.*

**Qualified Opinion**

8. *In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for Qualified Opinion Paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: of the state of affairs of the company as at March 31, 2017; of the profit and of the cash flows for the year ended on that date.*

**Emphasis of matter**

9. (a) *We draw attention to Note 24.1 in the financial statements which state that the Company's current assets exceeded its current liabilities (previous year Current liabilities exceeded the current assets by Rs.205.74 Lakhs) as at March 31, 2017, and there is no threat to the operations of the Company.*
- (b) *We draw attention to Note 24.3 in the financial statements which states that the Company has not provided for the interest expense amounting to Rs. 6,33,691 for the year and Rs. 97,07,879 for earlier years against the Trade Deposits received from the Dealers/ Distributors. Consequently, the same has resulted in understatement of loss for the year by Rs. 6,33,691, understatement of the balance in the statement of profit and loss by Rs. Rs. 1,03,41,550 and understatement of Current Liabilities by Rs. 1,03,41,550.*

**Other matters**

10. *The Company could not get confirmation of balances in respect of:*  
 (a) *Trade Receivables amounting to Rs. 29,29,210/- and (b) Trade Payables amounting to Rs. 17,15,905/-.* Consequently, we are unable to determine, if any adjustments are required to the amounts reflecting in the Balance Sheet as at March 31, 2017 and the impact of the same on the profit for the year, income tax and shareholder's funds. Our opinion is not qualified in this regard.



**Report on other Legal and Regulatory requirements**

1. As required by the Companies(Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act 2013, we give in the Annexure,- A a statement on the matters specified in paragraphs 3 and 4 of the Order .
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;
  - (c) the Balance Sheet, the Statement of Profit and Loss and Cash Flow statement dealt with by this report are in agreement with the books of account;
  - (d) *except for the matter described under the basis for qualified opinion paragraph, in our opinion, the Balance sheet, Statement of Profit and Loss, and Cash flow Statement 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 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure- B; and
  - (g) 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 does not have any pending litigations which would impact its financial position
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. the instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company is as given below.

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

- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management – Refer Note 25.4 to the Financial Statements.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firms' Regn.No.000513S  
Sd/-  
(K.SHRAVAN)  
Partner  
Membership No.215798

Place: Hyderabad  
Date: 29.05.2017

**ANNEXURE-A REFERRED TO IN PARAGRAPH 11 OF OUR REPORT OF EVEN DATE  
Statement on the Companies (Auditor's Report) Order, 2016  
Re: KABSONS INDUSTRIES LIMITED**

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

- i) (a) the Company has maintained proper records showing full particulars including quantitative Details and situation of fixed assets;
- (b) all the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification;
- (c) the title deeds of the immovable properties are held in the name of the Company;
- ii) the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account;
- iii) the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained u/s.189 of the Act;
- iv) the Company has not advanced any loan, not made investments, not given guarantees and not provided any security. Hence para 3(iv) of the aforesaid Order is not applicable;
- v) the Company has not accepted deposits from the public. Hence the provisions of Sections 73 to 76 and other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 are not applicable to the Company.
- vi) maintenance of cost records has not been specified by the Central Government u/s 148(1) of the Act. Hence para 3(vi) of the aforesaid Order is not applicable;
- vii) (a) the Company is not regular in depositing with appropriate authorities undisputed statutory dues Including investor education protection fund, sales tax. The extent of the arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable are as given below:

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

- (b) according to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, excise duty, service tax and cess which have not been deposited on account of any dispute;

- viii) during the financial year covered by our audit the Company had not borrowed from financial institutions. Hence, clause 3(viii) of the above referred Order is not applicable;
- ix) the Company has not raised moneys by way of Initial Public Offer or Further Public Offer(including debt instruments) and term loans. Hence clause 3(ix) of the above referred Order is not applicable;
- x) no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year;
- xi) no managerial remuneration has been paid or provided during the year under report. Hence clause 3(xi) of the above referred Order is not applicable;
- xii) the Company is not a Nidhi Company.
- xiii) the Company is in compliance with Section 188 and Section 177 of the Act, wherever applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- xiv) the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures .Hence clause 3(xiv) of the above referred Order is not applicable;
- xv) the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Act are not applicable;
- xvi) the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act,1934.

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firms' Regn.No.000513S  
Sd/-  
(K.SHRAVAN)  
Partner  
Membership No.215798

Place: Hyderabad  
Date: 29.05.2017

**ANNEXURE – B REFERRED TO IN PARAGRAPH 12 (f) OF OUR REPORT OF EVEN DATE**

**Re: KABSONS INDUSTRIES LIMITED**

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

1. We have audited the internal financial controls over financial reporting of Kabsons Industries Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

3. Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”

For BRAHMAYYA & CO.,  
Chartered Accountants  
Firms' Regn.No.000513S  
Sd/-  
(K.SHRAVAN)  
Partner  
Membership No.215798

Place: Hyderabad  
Date: 29.05.2017

**BALANCE SHEET AS AT 31-03-2017** (All amounts in rupees, unless otherwise stated)

Particulars	Note No.	As at 31-03-2017	As at 31-03-2016
1	2	3	4
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's funds</b>			
(a) Share Capital	2	17,46,30,000	17,46,30,000
(b) Reserves and surplus	3	(14,62,73,311)	(18,62,93,448)
		<u>(2,83,56,689)</u>	<u>(1,16,63,448)</u>
<b>2 Non-Current Liabilities</b>			
(a) Other long term liabilities	4	1,92,02,133	1,64,02,133
(b) Long-term provisions	5	1,02,115	91,904
		<u>1,93,04,248</u>	<u>1,64,94,037</u>
<b>3 Current Liabilities</b>			
(a) Short-term borrowings	6	10,00,000	26,00,000
(b) Trade payables		17,15,905	18,85,992
(c) Other current liabilities	7	1,32,78,154	7,89,62,888
(d) Short-term provisions	8	3,02,606	1,98,078
		<u>1,62,96,664</u>	<u>8,36,46,957</u>
<b>TOTAL</b>		<b>6,39,57,601</b>	<b>8,84,77,546</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets			
Tangible assets	9	2,62,64,469	2,42,29,129
Intangible assets	9	428	428
		<u>2,62,64,897</u>	<u>2,42,29,557</u>
(b) Long-term loans and advances	10	10,41,062	10,41,062
(c) Other Non-current assets	11	1,08,17,681	31,66,848
		<u>1,18,58,743</u>	<u>42,07,910</u>
<b>2 Current assets</b>			
(a) Inventories	12	14,80,622	4,50,382
(b) Trade receivables	13	29,29,210	25,75,017
(c) Cash and cash equivalents	14	1,69,19,151	2,06,85,721
(d) Short-term loans and advances	15	14,23,679	11,66,895
(e) Other current assets	16	30,81,298	3,51,62,063
		<u>2,58,33,960</u>	<u>6,00,40,078</u>
<b>TOTAL</b>		<b>6,39,57,601</b>	<b>8,84,77,546</b>
Significant Accounting policies	1		
Other disclosures	24		

The notes to accounts are an integral part of the financial statements.

As per our report of even date

For **BRAHMAYYA & Co.,**  
Chartered Accountants  
Firm's Regn.No.000513S

Sd/-  
**K.SHRAVAN**  
Partner, Membership No.215798

Place : Hyderabad  
Date : 29-05-2017

For and on behalf of the Board of Directors

Sd/-  
**P.V.SUBBA RAO**  
Director

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

Sd/-  
**RAJIV KABRA**  
Executive Director

Sd/-  
**M. NAGARAJU**  
Company Secretary

**Statement of Profit and Loss  
for the year ended 31-03-2017**

(All amounts in rupees,  
unless otherwise stated)

Particulars	Note No.	Current Year	Previous Year
I <b>Revenue from operations</b>	17	3,81,01,024	1,67,29,327
II <b>Other Income</b>	18	27,88,729	27,48,284
III <b>Total Revenue</b>		<b>4,08,89,753</b>	<b>1,94,77,611</b>
IV <b>Expenses</b>			
Purchase of Stock-in-Trade	19	2,40,77,493	52,32,227
Changes in inventories of Work-in-progress and Stock-in-Trade	20	(10,30,240)	(99,105)
Power and Fuel		4,85,089	4,20,572
Employee benefits expense	21	51,21,875	42,38,967
Finance Costs		-	-
Depreciation and amortization expense	9	10,88,213	9,53,425
Other expenses	22	75,50,738	74,85,830
<b>Total Expenses</b>		<b>3,72,93,168</b>	<b>1,78,11,344</b>
V <b>Profit before exceptional items and tax</b>		<b>35,96,585</b>	<b>16,66,267</b>
VI. Exceptional Items	23	3,64,23,552	(27,48,000)
VII <b>Profit before tax</b>		<b>4,00,20,137</b>	<b>(10,81,733)</b>
VIII <b>Tax expense</b>			
Current tax	25.6.1		-
Deferred tax	25.6.2		-
IX <b>Profit for the period (VII-VIII)</b>		<b>4,00,20,137</b>	<b>(10,81,733)</b>
X <b>Earnings per equity share (Face value of Rs.10/- per share)</b>	25.5	2.29	(0.06)
Basic and Diluted			
Significant Accounting policies	1		
Other disclosures	24		

**The notes to accounts are an integral part of the financial statements.**

As per our report of even date

For **BRAHMAYYA & Co.,**  
Chartered Accountants  
Firm's Regn.No.000513S

Sd/-  
**K.SHRAVAN**  
Partner, Membership No.215798

Place : Hyderabad  
Date : 29-05-2017

For and on behalf of the Board of Directors

Sd/-  
**P.V.SUBBA RAO**  
Director

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

Sd/-  
**RAJIV KABRA**  
Executive Director

Sd/-  
**M. NAGARAJU**  
Company Secretary

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST MARCH, 2017**

(All amounts in rupees,  
unless otherwise stated)

	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit for the year before extraordinary items	4,00,20,137	(10,81,733)
<b>Adjustments for:</b>		
Depreciation	10,88,213	9,53,425
Depreciation provided in earlier years now written up	-	-
Interest Income / earned	(19,89,327)	(20,80,877)
<b>Operating Profit before working Capital Changes</b>	<b>3,91,19,023</b>	<b>(22,09,185)</b>
<b>Adjustments for:</b>		
Trade and other receivables	3,05,80,884	15,65,323
Inventories	(10,30,240)	(99,105)
Trade payables	(6,29,40,082)	8,69,874
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>57,29,585</b>	<b>1,26,907</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(31,23,553)	(8,27,856)
Proceeds from/(Investment) in term deposits/ margin money deposits	34,78,288	(62,52,121)
Proceeds from/(Investment) in deposits for period exceeding 1 year	(75,78,343)	60,81,194
Interest received	28,05,740	12,73,527
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(44,17,868)</b>	<b>2,74,744</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Loans	(16,00,000)	(5,00,000)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>(16,00,000)</b>	<b>(5,00,000)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents ( A+B+C )</b>	<b>(2,88,283)</b>	<b>(98,349)</b>
Cash and Cash equivalents as at 01.04.16 (Opening balance)	10,41,726	11,40,075
<b>Cash and Cash equivalents as at 31.03.17 (Closing balance)</b>	<b>7,53,443</b>	<b>10,41,726</b>

Note: Reconciliation of cash and cash equivalents with Balance Sheet as at 31 March 2017

<b>Cash and Cash equivalents as per cash flow statement</b>	7,53,444	10,41,726
Add: Investment in term deposits and margin money deposits	1,61,65,707	1,96,43,995
<b>Cash and Cash equivalents as per Balance Sheet</b>	<b>1,69,19,151</b>	<b>2,06,85,721</b>

**The notes to accounts are an integral part of the financial statements.**

As per our report of even date

For **BRAHMAYYA & Co.,**  
Chartered Accountants  
Firm's Regn.No.000513S

Sd/-  
**K.SHRAVAN**  
Partner, Membership No.215798

Place : Hyderabad  
Date : 29-05-2017

For and on behalf of the Board of Directors

Sd/-  
**P.V.SUBBARAO**  
Director

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

Sd/-  
**RAJIV KABRA**  
Executive Director

Sd/-  
**M. NAGARAJU**  
Company Secretary



Notes to Financial statements for the year ended 31 March 2017

(All amounts in rupees, unless otherwise stated)

1. Significant Accounting Policies

The following are the significant accounting policies adopted by the Company in the preparation and presentation of financial statements:

- i) Financial statements are based on historical cost.
- ii) Special Incentive received is treated as Capital Reserve.
- iii) Fixed Assets are stated at cost net of depreciation provided for and MODVAT credit availed.
- iv) Leasehold land is amortized over the period of lease. Immovable assets on the lease hold lands are amortized in accordance with Schedule -II to the Companies Act, 2013 where the estimated life of the assets is less than the lease periods.

Where the estimated life of the immovable assets on lease hold lands is more than the lease periods, they are amortised over the lease periods.

Depreciation on the assets of the Company, other than those mentioned above, is provided on straight line basis / written down value method in accordance with schedule II to the Companies Act 2013.

- v) Stores and Packing materials, work-in-progress and stock in trade are valued at lower of the cost or realisable value.
- vi) Sales are exclusive of taxes and duties collected.
- vii) Provident Fund is administrated and remittances are made to Provident Fund Commissioner.
- viii) Liabilities towards gratuity and leave encashment are provided for in accordance with the provisions of Payment of Gratuity Act 1972, Factories Act, 1948 and Shops and Establishment Act, 1988 respectively.
- ix) Contingent liabilities are indicated by way of a note and will be provided/paid on crystallisation.

2. Share Capital

Particulars	As at 31 March 2017		As at 31 March 2016	
	Numbers	Rs.	Numbers	Rs.
<b>Authorised</b>				
Equity Shares of Rs.10 each	1,80,00,000	18,00,00,000	1,80,00,000	18,00,00,000
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs.10 each fully paid	<u>1,74,63,000</u>	<u>17,46,30,000</u>	<u>1,74,63,000</u>	<u>17,46,30,000</u>

a. Reconciliation of shares outstanding at the end of the reporting period

Particulars	As at 31 March 2017		As at 31 March 2016	
	No. of shares	Rs.	No. of shares	Rs.
Shares outstanding at the beginning of the year	1,74,63,000	17,46,30,000	1,74,63,000	17,46,30,000
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>1,74,63,000</u>	<u>17,46,30,000</u>	<u>1,74,63,000</u>	<u>17,46,30,000</u>

b. Terms/ rights attached to equity shares

The company has only one class of equity shares having a face value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The dividends recommended by the Board of Directors if any, are subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity share holders are entitled to receive the remaining assets of the Company after distribution of all preferential claims, in proportion to the number of shares held.

c. List of shareholders holding more than 5% of total number of shares in the company

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr.Rajiv Kabra	91,17,400	52.21	91,17,000	52.21
M/s.Lata Engineering Company Pvt. Ltd	10,11,000	5.79	10,11,000	5.79

**Notes to Financial statements for the year ended 31 March 2017**

(All amounts in rupees, unless otherwise stated)

**3. Reserves and Surplus**

Particulars	As at 31 March 2017	As at 31 March 2016
a. Capital Reserves	30,00,000	30,00,000
b. Securities Premium Reserve	4,72,37,415	4,72,37,415
c. Surplus (Balance in statement of profit and loss)		
Balance as per last financial statements	<u>(23,65,30,863)</u>	<u>(23,54,49,130)</u>
Add: Profit for the Year	<u>4,00,20,137</u>	<u>(10,81,733)</u>
Closing Balance	<u>(19,65,10,726)</u>	<u>(23,65,30,863)</u>
<b>Total</b>	<u><u>(14,62,73,311)</u></u>	<u><u>(18,62,93,448)</u></u>

**4. Other long term liabilities**

Particulars	Non-current portion		Current portion	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
Other Liabilities				
i) Security Deposits	85,51,500	64,51,500	-	-
ii) Security Deposits	1,06,50,633	99,50,633	-	-
<b>Total</b>	<u><u>1,92,02,133</u></u>	<u><u>1,64,02,133</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

- a. All the liabilities falling due within 12 months from the date of Balance Sheet have been classified as current liabilities, the aggregate of which is shown as 'current maturities of long-term liabilities' under Note - 7, 'Other Current Liabilities'.
- b. The Security Deposits are received towards lease of plants at various locations and are interest-free.

**5. Long Term Provisions**

Particulars	Non-current portion		Current portion	
	As at 31 March 2017	As at 31 March 2016	As at 31 March 2017	As at 31 March 2016
(a) Gratuity	1,02,115	91,904	-	-
<b>Total</b>	<u><u>1,02,115</u></u>	<u><u>91,904</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**6. Short Term Borrowings**

Particulars	As at 31 March 2017	As at 31 March 2016
<b>Loans and advances from related parties, repayable on demand</b>		
a. Secured - Lata Engineering Company Private Limited	-	1,00,000
b. Unsecured - Inter Corporate Deposit Kabsons Technologies Pvt. Ltd.	10,00,000	25,00,000
<b>Total</b>	<u><u>10,00,000</u></u>	<u><u>26,00,000</u></u>

- a. Loan of M/s.Lata Engineering Company Private Limited is secured by way of a first charge on the Fixed Assets of the Company located at plot no.124 & 125, Tupudana Industrial Growth Center, Ranchi, Jharkhand and Open plot at Nellimerla Industrial Area, Vizianagaram Dist, Andhra Pradesh.

**7. Other Current Liabilities**

Particulars	As at 31 March 2017	As at 31 March 2016
Cylinder Deposits from consumers	49,63,815	7,19,62,132
Interest accrued and due on Distributor/Dealer deposits (Refer Note – 24.3)	13,13,317	13,13,317
Dues to Dealers and Consumers	37,74,547	26,96,118
Dues to Staff	5,77,688	4,01,288
Other payables		
Statutory Dues	11,89,928	13,16,865
Others	14,36,309	12,50,418
Investor Education and Protection fund – Unpaid application money received for allotment of shares and due for refund	22,550	22,550
<b>Total</b>	<u><u>1,32,78,154</u></u>	<u><u>7,89,62,888</u></u>

(All amounts in rupees, unless otherwise stated)

**Notes to Financial statements for the year ended 31 March 2017**

**8. Short-Term Provisions**

**As at 31 March 2017** **As at 31 March 2016**

**Particulars**

a) Provision for Employee Benefits:	1,27,522	77,221
- Earned Leave Encashment	1,20,460	66,469
- Bonus	54,624	54,388
b) Provision for audit fees	<u>3,02,606</u>	<u>1,98,078</u>
<b>Total</b>		

**9. FIXED ASSETS**

Particulars	Gross Block			Depreciation			Net Block			
	As at 31 March 2016	Additions	Deductions	As at 31 March 2017	Upto 31 March 2016	For the Period	On Deductions	Upto 31 March 2017	As at 31 March 2017	As at 31 March 2016
<b>a Tangible Assets</b>										
Land:										
Leasehold	56,77,870		-	56,77,870	17,76,354	-	-	17,76,354	39,01,516	39,01,516
Freehold (*)	10,14,817			10,14,817	-	78,628		78,628	9,36,189	10,14,817
Buildings										
Factory	2,62,11,358			2,62,11,358	1,87,44,407	5,46,088	-	1,92,90,495	69,20,863	74,66,951
Non Factory	30,30,697			30,30,697	10,95,293	43,713	-	11,39,006	18,91,691	19,35,404
Plant and Equipment	2,98,25,714	13,13,165		3,11,38,879	2,39,18,476	2,07,679	-	2,41,26,155	70,12,724	59,07,238
Electrical Equipment	61,93,592			61,93,592	58,37,501	9,292	-	58,46,793	3,46,799	3,56,091
Furniture and Fittings	32,28,778	2,610		32,31,388	30,67,339	2,480	-	30,69,819	1,61,569	1,61,439
Data Processing Equipment	32,88,104			32,88,104	31,06,032	11,001	-	31,17,033	1,71,071	1,82,072
Office equipment	14,41,524			14,41,524	13,69,447	-	-	13,69,447	72,077	72,077
Vehicles	5,01,719			5,01,719	4,75,933	248	-	4,76,181	25,538	25,786
Cycle	1,710			1,710	1,624	-	-	1,624	86	86
Cylinders	6,41,13,619	18,07,778		6,59,21,397	6,09,07,967	1,89,084	-	6,10,97,051	48,24,346	32,05,652
<b>Sub Total:</b>	<b>14,45,29,502</b>	<b>31,23,553</b>	<b>-</b>	<b>14,76,53,055</b>	<b>12,03,00,373</b>	<b>10,88,213</b>	<b>-</b>	<b>12,13,88,586</b>	<b>2,62,64,469</b>	<b>2,42,29,129</b>
<b>b Intangible Assets</b>										
Software	8,550			8,550	8,122	-	-	8,122	428	428
<b>Sub Total:</b>	<b>8,550</b>	<b>-</b>	<b>-</b>	<b>8,550</b>	<b>8,122</b>	<b>-</b>	<b>-</b>	<b>8,122</b>	<b>428</b>	<b>428</b>
<b>Grand Total</b>	<b>14,45,38,052</b>	<b>31,23,553</b>	<b>-</b>	<b>14,76,61,605</b>	<b>12,03,08,495</b>	<b>10,88,213</b>	<b>-</b>	<b>12,13,96,708</b>	<b>2,62,64,897</b>	<b>2,42,29,557</b>
<b>Previous Year:</b>	<b>14,37,10,196</b>	<b>8,27,856</b>	<b>-</b>	<b>14,45,38,052</b>	<b>11,93,55,070</b>	<b>9,53,425</b>	<b>-</b>	<b>12,03,08,495</b>	<b>2,42,29,557</b>	<b>2,43,55,126</b>

(\*) The Company purchased 10 Acres of land at Nellimela Industrial Area, Vizianagaram District through registered sale deed from APILIC in the year 1995 for setting up of Industry. The APILIC issued cancellation orders for not utilizing the plot and Company filed a petition against the orders in The Court of the Principal Junior Civil Judge at Vizianagaram and the matter is in the Court of Law.

**Notes to Financial statements for the year ended 31 March 2017**

 (All amounts in rupees,  
unless otherwise stated)

Particulars	As at 31 March 2017	As at 31 March 2016
<b>10. Long Term Loans and Advances (Unsecured, considered good)</b>		
Sundry Deposits	10,41,062	10,41,062
<b>Total</b>	<b><u>10,41,062</u></b>	<b><u>10,41,062</u></b>
<b>11. Other Non-current Assets</b>		
Prepayments	2,06,546	1,34,056
Other bank balances – Term Deposits with more than 12 months maturity - Margin Money Deposits	35,30,968	30,32,792
- In-Term Deposits	70,80,167	-
<b>Total</b>	<b><u>1,08,17,681</u></b>	<b><u>31,66,848</u></b>
a. Out of the total amount of margin money deposits, deposits amounting to Rs. 26,00,000 have been pledged with the Bankers towards issue of Bank Guarantees		
<b>12. Inventories (Valued and Certified by the Executive Director)</b>		
a. Stock-in-trade (lower of realisable value and cost)	13,64,002	3,33,762
b. Stores and Spares (at realisable value)	78,004	78,004
c. Scrap	38,616	38,616
<b>Total</b>	<b><u>14,80,622</u></b>	<b><u>4,50,382</u></b>
<b>13. Trade Receivables (Unsecured)</b>		
<b>Debts outstanding for a period exceeding six months</b>		
Considered good	6,71,256	6,57,810
Considered doubtful	2,99,233	2,99,233
Less: Provision for doubtful debts	<u>(2,99,233)</u>	<u>(2,99,233)</u>
	6,71,256	6,57,810
<b>Others</b> considered good	22,57,954	19,17,207
<b>Total</b>	<b><u>29,29,210</u></b>	<b><u>25,75,017</u></b>
<b>14. Cash and cash equivalents</b>		
a. Balances with banks		
In current accounts	6,12,641	9,42,229
In term deposits	<u>1,61,65,707</u>	<u>1,96,43,995</u>
b. Cash on hand	1,18,726	77,420
c. Share Application Money Refund A/c.	22,077	22,077
	<b><u>1,69,19,151</u></b>	<b><u>2,06,85,721</u></b>
a. Term deposits and term deposits have a maturity period of more than three months and less than one year.		
<b>15. Short-term loans and advances (Unsecured, considered good)</b>		
Tax deducted at source	14,23,679	11,66,895
	<b><u>14,23,679</u></b>	<b><u>11,66,895</u></b>
<b>16. Other Current Assets</b>		
Vendor advance	1,96,647	1,57,669
Balances with Govt. Dept. (CBEC & VAT)	1,60,336	1,32,344
Amounts recoverable from staff	1,000	1,000
Cylinder Deposit	19,67,335	3,34,36,900
Interest accrued but not due	4,00,955	12,17,368
Prepayments	3,55,025	2,16,782
<b>Total</b>	<b><u>30,81,298</u></b>	<b><u>3,51,62,063</u></b>

## Notes to Financial statements for the year ended 31 March 2017

(All amounts in rupees,  
unless otherwise stated)

Particulars	Current Year	Previous Year
<b>17. Revenue from Operations</b>		
Sale of Gas (trading items)	2,50,11,000	58,61,918
Sale of Stoves (trading items)	13,140	-
Gas filling charges	44,91,557	53,74,436
Unloading/Loading charges collected	1,14,201	2,12,902
Other operating revenues		
Rental/ hire charges	10,04,626	2,571
Plants Lease	53,61,500	50,97,500
Rent	21,05,000	1,80,000
<b>Total</b>	<b><u>3,81,01,024</u></b>	<b><u>1,67,29,327</u></b>
<b>*a. Details of sales of trading items</b>		
Gas	2,50,11,000	58,61,918
Stoves	13,140	-
<b>Total</b>	<b><u>2,50,24,140</u></b>	<b><u>58,61,918</u></b>
<b>18. Other income</b>		
Interest Income (TDS Rs.1,95,503)	19,89,327	20,80,877
Other non-operating revenue		
Excess Provision written back	-	492
Credit balances written back	12,497	6,64,427
Miscellaneous income	7,86,905	2,488
<b>Total</b>	<b><u>27,88,729</u></b>	<b><u>27,48,284</u></b>
<b>19. Purchases of Stock-in-Trade</b>		
Gas	2,40,35,759	52,32,227
S.C. Valves	25,819	-
Safety Caps	9,540	-
O Ring	6,375	-
<b>Total</b>	<b><u>2,40,77,493</u></b>	<b><u>52,32,227</u></b>
<b>20. Changes in inventories of Work-in-progress and Stock-in-Trade</b>		
<b>Opening Stock</b>	3,33,762	2,34,657
<b>Closing Stock*</b>	13,64,002	3,33,762
<b>(Increase) / Decrease in stocks</b>	<b><u>(10,30,240)</u></b>	<b><u>(99,105)</u></b>
<b>*a. Details of Stock-in-trade - closing stock</b>		
LPG Gas	13,64,002	3,23,862
Single burner stoves	-	9,900
<b>Total</b>	<b><u>13,64,002</u></b>	<b><u>3,33,762</u></b>
<b>21. Employee benefits expense</b>		
Salaries, Wages, Bonus and Allowances	47,10,403	39,17,739
Contribution to Provident and other funds	2,62,100	2,03,934
Staff Welfare	88,860	69,003
Earned Leave Encashment	50,301	33,233
Gratuity	10,211	15,058
<b>Total</b>	<b><u>51,21,875</u></b>	<b><u>42,38,967</u></b>



**Notes to Financial statements for the year ended 31 March 2017**

 (All amounts in rupees,  
unless otherwise stated)

Particulars	Current Year	Previous Year
<b>23. Other expenses</b>		
Consumption of stores and spares	2,33,985	1,66,355
Rent & Water Charges	6,93,658	6,67,552
Rental/Hire charges paid for Cylinders	89,994	-
Repairs & Maintenance		
i) Plant & Machinery	19,10,509	11,90,536
ii) Buildings	3,25,056	59,767
iii) Other Assets	8,567	55,465
Insurance	1,29,021	1,25,847
Rates & Taxes	3,84,231	2,16,107
Gas Filling Charges	65,994	66,918
Printing & Stationary	29,925	25,345
Postage, Telegrams & Telephones	70,261	79,395
Travelling & Conveyance	1,80,117	2,98,548
Service Charges	14,46,804	16,58,984
Legal & Professional Charges	6,07,120	6,08,467
Listing Fees	2,45,173	2,49,375
Provision for Doubtful Debts	-	2,99,233
Auditors' Remuneration		
: As Auditors	46,000	45,800
: For Tax Audit	11,536	11,520
: For Certification	15,525	24,533
Prior Period Expenses	39,026	2,22,857
Penalties	3,325	30,000
General Expences	1,46,669	2,28,038
Miscellaneous expenses	8,68,242	7,34,616
<b>Total</b>	<b>75,50,738</b>	<b>70,65,258</b>

**23. Exceptional Items:**

Re-instatement fee to BSE (inclusive Service Tax)	-	(27,48,000)
Subscription Deposit W/back {Refer note no. 24(4) (e)}	3,64,23,552	-
<b>Total</b>	<b>3,64,23,552</b>	<b>(27,48,000)</b>

**24. Other disclosures**

**24.1.** Financial statements of the Company have been prepared on 'going concern basis' :

- a. Current assets exceeded the current liabilities and networth become positive. (Previous Year Current liabilities exceeded the current assets by Rs.205.74 Lakhs) as at 31 March 2017; and there is no threat to the operations of the company.

**24.2. Contingent Liabilities not provided for in respect of:**

Particulars	As at 31 March 2017	As at 31 March 2016
i) Bank Guarantees issued by Bankers	26,00,000	26,00,000
ii) Claims made by dealers/distributors not acknowledged by the Company	5,94,315	5,94,315

**24.3. Interest accrued and due on Distributor/Dealer deposits**

In view of the Company's adverse financial position, interest payable to various distributors and dealers on their deposits would be negotiated with them for waiver. Hence, no provision is made for interest for the current year amounting to Rs.6,33,691/- (Previous year: Rs.6,33,691/-) and interest for earlier years amounting to Rs.97,07,879/-. Had the interest provision been made, the profit for the current year would have been less by Rs.6,33,691.- and current liabilities would have been more by Rs.1,03,41,550/-.

**24.4. Additional information**
**a. Value of imports calculated on C.I.F basis during the financial year:**

The Company has no imports for the current financial year and the previous year to report.

**b. Expenditure in foreign currency during the financial year on account of:**

The Company has no expenditure in foreign currency for the current financial year and the previous year to report.

**c. Earnings in foreign exchange:**

The Company has no earnings in foreign exchange for the current financial year and the previous year to report.

**d. The value of consumption of imported and indigenously obtained raw materials, stores and spare parts and the percentage of each to the total consumption:**

Particulars	Current Year		Previous Year	
	Amount	%	Amount	%
Indigenous	2,33,985	100	1,66,355	100
Imported	-	-	-	-
<b>Total</b>	<b>2,33,985</b>	<b>100</b>	<b>1,66,355</b>	<b>100</b>

**Notes to Financial statements for the year ended 31 March 2017**

(All amounts in rupees, unless otherwise stated)

e. Consumers cylinder subscription deposits collected over a period of time amounting to Rs.6,79,00,615 is written back, as the cylinders are not returned for a long time. Out of this an amount of Rs.3,14,77,063 is adjusted against the Cylinder deposits paid by the Company. Net amount of Rs.3,64,23,553 is shown as Exceptional item.

**25. Disclosures in accordance with the requirements of Accounting Standards stated under the Companies (Accounts) Rules 2014.**

The Company has made disclosures in accordance with the accounting standards as applicable for the year under report.

**25.1 Segment Reporting**

The Company operates only in one business segment namely, sale of gas and hence the requirements of AS – 17 are not applicable.

**25.2 Related Party Disclosures**

The Related party disclosures as required by AS – 18 are given below:

S.No	Name of the Related Party	Nature of Relationship
1	Rajiv Kabra	Key Management Personnel
2	Satish Kabra	} Relatives of Key Management Personnel
3	Annapurna Kabra	
4	Lata Engineering Company P.Ltd	Substantial Shareholder
5	PKL Ltd	Enterprise having common control by Key Management Personnel
6	Kabsons Technologies P.Ltd	Subsidiary Company of Substantial Shareholder
7	Ideal Engineers Hyderabad P.Ltd	} Enterprise controlled by a relative of the Key Management Personnel
8	Kabsons Gas Equipment P. Ltd	

**a. Transactions with Key Management personnel**

S.No	Nature of transaction	Current Year	Previous Year
1	Remuneration	--	--

**b. Transactions with substantial shareholder**

Nature of transaction	Current Year	Previous Year
<b>Manpower supply charges</b>	1,60,650	4,52,935
<b>Cylinder deposit:</b>		
Outstanding at the beginning of the year	74,93,200	74,93,200
Less: Written off during the year	71,18,540	—
Outstanding at the end of the year	3,74,660	74,93,200
<b>Secured Loan:</b>		
Outstanding at the beginning of the year	1,00,000	1,00,000
Received during the year	—	—
Repaid during the year	1,00,000	—
Outstanding at the end of the year	—	1,00,000
<b>Balance in current account (payable) / receivable</b>	<b>(1,000)</b>	<b>(34,915)</b>

**c. Transactions with Enterprise having common control by Key Management Personnel**

Nature of transaction	Current Year	Previous Year
<b>Godown rent received</b>	1,80,000	1,80,000
<b>Rental hire charges paid</b>	89,994	-
<b>Purchase of gas</b>	-	2,50,984
<b>Cylinder deposit:</b>		
Outstanding at the beginning of the year	67,34,250	67,34,250
Less : Written off during the year	61,09,545	-
Paid during the year	7,500	-
Outstanding at the close of the year	6,32,205	67,34,250
<b>Balance in current account receivable</b>	<b>32,928</b>	<b>14,063</b>

**d. Transactions with Subsidiary Company of Substantial Shareholder**

<b>Inter corporate deposit received:</b>		
Outstanding at the beginning of the year	25,00,000	30,00,000
Received during the year	-	-
Paid during the year	15,00,000	5,00,000
Outstanding at the end of the year	10,00,000	25,00,000

**Notes to Financial statements for the year ended 31 March 2017**

(All amounts in rupees, unless otherwise stated)

**e. Transactions with Enterprise controlled by relatives of the Key Management Personnel**

Nature of transaction	Current Year	Previous Year
Gas filling charges paid	8,494	9,793
Transport Charges paid	5,250	10,045
Minimum commitment charges paid	57,500	57,125
<b>Cylinder deposit paid:</b>		
Outstanding at the beginning of the year	1,92,09,450	1,92,09,450
Less: Written off during the year	1,82,48,978	—
Outstanding at the end of the year	9,60,472	1,92,09,450
<b>Trade receivables</b>	<b>Nil</b>	<b>Nil</b>
<b>Trade payables</b>	<b>13,17,048</b>	<b>13,81,803</b>

**25.3 Accounting for Leases**

The disclosures pursuant to the requirements of AS – 19 are given below:

**a) Details of the Operating Lease Assets**

Class of Asset	Building	Plant and Machinery	Other Assets	Total
Gross Carrying Amount	1,22,22,624	1,37,32,867	59,71,062	3,19,26,553
Accumulated Depreciation	93,59,306	97,89,719	56,35,391	2,47,84,416
Depreciation recognised for the year	2,31,577	1,55,163	9,292	3,96,032

b) Minimum Lease Payments receivable under operating lease in the aggregate for the periods:	<b>2016-17</b>	<b>2015-16</b>
Not later than one year	76,41,500	55,51,500
More than one year and less than five years	1,57,37,650	1,39,51,200
c) Total Lease Rent recognized	74,66,500	52,77,500
d) The direct costs for maintenance of the leased assets are recognized as expenses in the statement of the Profit and Loss for the year ended 31.03.2017		

**General description of the Company's significant leasing arrangements:**

The company has given on lease, various assets of its LPG Bottling Plants situated at:

- 1) Killa No.170 & 171, Sampla Berry Road, Ismaila Village, Rohtak, Haryana
- 2) Plot No.37, Belur Industrial Estate, Dist. Dharwad, Karnataka
- 3) Plot No. 124 & 125, Tupudana Industrial Estate, P.O. Hatia, Ranchi
- 4) Plot No. A-134, Hirawala Industrial Area, Kanota, Jaipur
- 5) Sector.11, Khargar Village, Taluka-Panvel, Dist: Raigad, Maharashtra and
- 6) Plot No. B-3, Waluj Industrial Area, MIDC, Aurangabad, Maharashtra; on a fixed term lease basis, after which the lease agreements can be extended or terminated on mutual consent basis.

**25.4. Disclosure of Specified Bank Notes**

During the year, the Company has Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R.308(e), dated 31.03.2017. The details of SBNs held and transacted during the period from 08.11.2016 to 30.12.2016, the denomination wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs	Other Denomination	Total
Closing cash in hand on 08.11.16	3.04	0.11	3.15
Add: Receipts for permitted transactions	-	4.25	4.25
Less: Paid for permitted transactions	-	1.98	1.98
Less: Deposited in Bank account	3.04	0.38	3.42
Closing cash in hand as on 30.12.16	-	2.00	2.00

**25.5. Earnings per share**

The computation of earnings per share as required under AS – 20 is given below:

Particulars	Current Year	Previous Year
Profit / (Loss) as per Statement of Profit and Loss (in rupees)	4,00,20,137	(10,81,733)
Number of equity shares outstanding	1,74,63,000	1,74,63,000
Basic and diluted earnings per share in rupees (face value of Rs.10/-)	2.29	(0.06)

**25.6. Taxes on income** (All amounts in rupees, unless otherwise stated)

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

**25.6.2. Deferred tax**  
In view of the absence of reasonable certainty that sufficient future taxable income will be available against which deferred tax asset can be realized, the Company has considered it prudent not to provide for deferred tax asset of **Rs. 4.69 crores** (Previous Year Rs. 4.71 crores), in accordance with Accounting Standard – 22, Accounting for taxes on income, resulted on account of brought forward losses and unabsorbed depreciation.

S.No	Particulars	Current Year	Previous Year
<b>A</b>	<b>Items of Deferred Tax Assets</b>		
1	Unabsorbed depreciation and other disallowances	16,95,14,916	16,94,54,583
<b>B</b>	<b>Items of Deferred Tax Liabilities</b>		
1	Difference in W.D.V as per books and as per Income –tax Act	1,75,41,046	1,70,69,604
	<b>Net Deferred Tax Asset (A-B)</b>	<b>15,19,73,870</b>	<b>15,23,84,979</b>
	<b>Tax thereon @ 30.90%</b>	<b>4,69,59,926</b>	<b>4,70,86,959</b>

**26. Dues to Micro, Small and Medium Enterprises**  
The information with regard to Micro, Small and Medium Enterprises has been determined to the extent such parties could be identified on the basis of the information available with the company and relied upon by the Auditors, accordingly the trade payable include NIL (previous year NIL) due to them for a period exceeding 30 days and company has not paid any interest during the year to any enterprise registered under Micro, Small and Medium Enterprises development Act, 2006.

**27. Previous Year's figures**  
Previous Year's figures have been reclassified, wherever necessary so as to confirm with the requirements of the Schedule III to the Companies Act, 2013.

As per our report of even date

For **BRAHMAYYA & Co.,**  
Chartered Accountants  
Firm's Regn.No.000513S

Sd/-  
**K.SHRAVAN**  
Partner, Membership No.215798

Place : Hyderabad  
Date : 29-05-2017

For and on behalf of the Board of Directors  
Sd/-

**P.V.SUBBARAO**  
Director

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

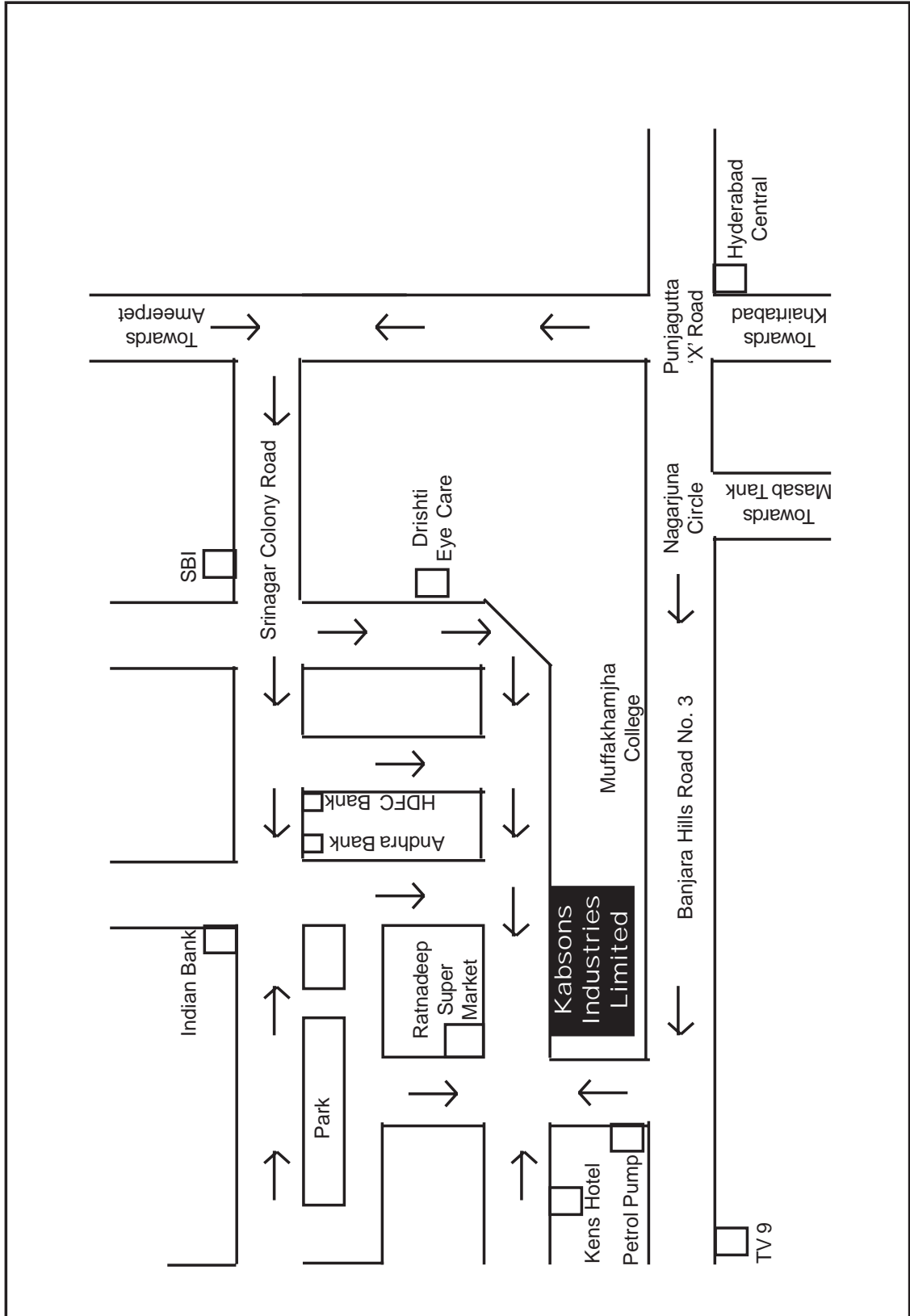
Sd/-  
**RAJIV KABRA**  
Executive Director

Sd/-  
**M. NAGARAJU**  
Company Secretary

*Intentionally left blank*



### Route Map to Kabsons Industries Limited



**Form No. MGT-11  
Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L23209TG1993PLC014458  
 Name of the company : **KABSONS INDUSTRIES LIMITED**  
 Registered office : # 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad, Telangana - 500073.  
 Tel: 040-66630006 Fax: 040-23740548

Name of the member(s):  
 Registered address:  
 Email Id:  
 Folio No./Client Id:  
 DP ID:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....  
 Address: .....  
 E-mail Id: .....  
 Signature: .....
2. Name: .....  
 Address: .....  
 E-mail Id: .....  
 Signature: .....
3. Name: .....  
 Address: .....  
 E-mail Id: .....  
 Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company to be held on Friday 29<sup>th</sup> September, 2017 at 12.30 P.M. IST at the registered office of the Company situated at # 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad, Telangana – 500073 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars
1.	Adoption of the Audited Accounts for the year ended 31.03.2017
2.	Re-appointment of Mr. Rajiv Kabra (DIN:00038605) as a Director liable to retire by rotation
3.	Appointment of M/s. K S Rao & Associates, Chartered Accountants as Statutory Auditors of the Company and authorize the Board to fix their remuneration.

Signed this.....day of..... 2017

Signature of shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

**Note:** *This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*

**KABSONS INDUSTRIES LIMITED**

Registered Office: # 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad, Telangana - 500073.  
 (To be handed over at entrance of the Meeting Venue)

**ATTENDANCE SLIP**

Regd. Folio No. \_\_\_\_\_ /DP ID \_\_\_\_\_ Client ID/Ben. A/C \_\_\_\_\_ No. of shares held \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 25<sup>th</sup> Annual General Meeting of the Company on to be held on Friday, the 29<sup>th</sup> day of September, 2017 at 12.30 PM at the registered office: # 8-3-1087, Plot No.48, Srinagar Colony, Hyderabad, Telangana – 500073.

1. Only Member/ Proxy holder can attend the meeting.
2. Member/ Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

Note: Please fill this attendance slip and hand it over at the entrance of the hall. Shareholders who come to attend the meeting are requested to bring the copies of the Annual Report also with them.