

## KPL EXPORTS LIMITED

Regd. Office: "PAN PARAG HOUSE", 24/19, THE MALL,  
KANPUR - 208001

Phone No.: 0512-2312171 & E-mail Id: secretarial@imkdevelopers.in

CIN:- U74900UP2008PLC035118

### DIRECTORS' REPORT

#### **TO THE MEMBERS:**

The Board of Directors of your Company feel delighted in presenting its Fourteenth Annual Report and Audited Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2023

#### **FINANCIAL PERFORMANCE & STATE OF COMPANY'S AFFAIRS:-**

	(Amount in Lacs)	
	FINANCIAL YEAR ENDED 31.03.2023	FINANCIAL YEAR ENDED 31.03.2022
Sales	37448	124419
Other Income	2425	1266
<b>Profit before Taxation</b>	<b>469</b>	<b>750</b>
Provision for Taxation:		
-Current Tax	175	125
-Deferred Tax	1	(124)
-Tax Adjustments for earlier years	82	5
<b>Profit after Tax</b>	<b>211</b>	<b>744</b>
Add : Balance of Profit brought forward from previous year	1610	866
Add: Profit for the year	211	744
Profit available for appropriation	1821	1610
<b>APPROPRIATIONS</b>		
Transfer to Reserves	0	0
Proposed Dividend	0	0
Additional Tax on Proposed Dividend	0	0
Balance of Profit carried forward	1821	1610

#### **2023 IN RETROSPECT:**

Your Directors are to report that the Company's sales turnover during the year under review has decreased to Rs.37448 Lacs as against Rs. 124419 Lacs during the previous financial year. Similarly profit before tax during the year under review of Rs.469 Lacs has decreased as against profit before tax of Rs.750 Lacs in the previous year and profit after tax of Rs.211 Lacs has also decreased as against profit after tax of Rs.744 Lacs in 2022. The aforesaid decreased in turnover & profits is largely due to current global geopolitical & economic land scape as the period remained turbulent and full of uncertainty in view of disruption of supply chain worldwide. The Directors are making all endeavors to give better performance in future.

#### **EXPORT BUSINESS:**

During the aforesaid period the Company has exported various commodities to various countries amounting to Rs.36811 Lacs as against Rs.95697 Lacs in the previous year. As the Company largely deals in the international trade, the decrease in exports is also due to adverse effect on global trade in view of the above mentioned reasons.

**DIVIDEND:**

Your Directors do not recommend any Dividend for the financial year under review to conserve resources for future purposes.

**RESERVES:**

During the year under review no amount been transferred to the general reserves of the Company.

**CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY:**

During the year under review there was no change in the nature of business of the Company.

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES:**

There are no Subsidiary, Associate or Joint Venture Companies of the Company.

**SHARE CAPITAL:**

The entire share capital of the Company is held by M/s Kothari Products Ltd. and accordingly the Company is a wholly owned subsidiary of M/s Kothari Products Ltd.

**CHANGES IN SHARE CAPITAL:**

There were no changes in the Share Capital of the Company during the year under review.

**FIXED DEPOSITS:**

The Company neither accepted any Fixed Deposits from the public nor there is any outstanding amount of deposit during the financial year 2022-23, hence the particulars relating to the aforesaid are not applicable.

**GUARANTEES OR INVESTMENTS:**

Details of Loans, guarantees and investments, if any, covered under sec.186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS, SWEAT EQUITY, ESOS ETC.:**

During the year the Company has not issued any shares with differential rights, sweat equity, ESOS etc.

**DIRECTORS:**

Sri Mitesh Kothari, a Director of the Company, retires by rotation in the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**CHANGE IN DIRECTOR OR KEY MANAGERIAL PERSONNEL:**

During the year under review Smt. Reema Shah, Non-Executive Woman Director of the Company has been re-designated as Independent Director of the Company and further there was no other change in the Directors or Key Managerial Personnel of the Company.

**DECLARATION BY INDEPENDENT DIRECTORS:**

Sri Pramod Kumar Tandon & Smt. Reema Shah are Independent Directors on the Board of the Company. The above named Independent Directors have given their declaration under Section 149(6) of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board, the Independent Directors fulfill the conditions relating to their status as Independent Directors as specified in Section 149 of the Companies Act, 2013 and the Rules made thereunder.

**COMMITTEES OF THE BOARD:**

Pursuant to the provisions of the Companies Act, 2013 the Company has constituted following committees and their composition is as under:-



**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE.**

<b>NAMES OF DIRECTORS</b>	<b>DESIGNATION IN COMMITTEE</b>
Sri Deepak Kothari	Chairman
Sri Pramod Kumar Tandon	Member
Sri Mitesh Kothari	Member

**NUMBER OF THE BOARD MEETINGS:**

The Company held (05) Five Board Meetings during the year 2022-23.

**BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors has carried out an Annual Performance evaluation of the Board, its Committee and the Directors individually.

**DIRECTORS RESPONSIBILITY STATEMENT:**

As required under Sec.134 (3) (c) read with Sec. 134(5) of the Companies Act, 2013, your Directors confirm:

- (i) that in the preparation of the annual accounts for the year ended 31st March, 2023, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied the 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 of the company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year under review on a going concern basis.
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**NUMBER OF THE EXTRA ORDINARY GENERAL MEETING:**

There was no Extra Ordinary General Meeting of the Company during the year 2022-23.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has in place adequate Internal Financial Control Systems & other internal control procedures commensurate with the size of the company and the nature of its business to ensure proper recording of financial & operational information and compliance of various statutory compliances.

**STATUTORY AUDITORS & AUDITORS' REPORT:**

M/s. Mehrotra & Mehrotra, Chartered Accountants, Auditors of the Company have carried out the Audit of the Company and have submitted Auditor's Report attached with the Financial Statements of the Company accompanying this Report. There is no qualification, reservation or adverse remark in the aforesaid Report which call for explanation by the Directors and the Auditors have not reported any fraud u/s 143(12) of The Companies Act, 2013. Further, the tenure of the aforesaid Auditor is coming to an end in the ensuing Annual General Meeting. Hence for the purpose of rotation of the Auditors the Board of Directors of the Company are in process for identifying new Auditors of the Company and as soon as the same is finalized it will be brought before the members for their approval.

**SECRETARIAL AUDIT & ITS REPORT:**

As required by section 204 of The Companies Act, 2013, Ms. Niyati Kedia, Practicing Company Secretary of Kanpur was appointed as the Secretarial Auditor of the Company and she has carried out the Secretarial Audit of the Company and has submitted her Report which is annexed to this report as 'Annexure-1'. There is no qualification, reservation or adverse remark in the aforesaid Report which call for explanation by the Directors.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 are given in the Note No.32 to the Financial Statements.

Further, the particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 have been enclosed with the report in the prescribed format AOC-2 as 'Annexure-2'.

**ANNUAL REPORT ON CSR ACTIVITIES:**

As required by the Companies (Corporate Social Responsibility Policy) Rules, 2014 the annual report on CSR activities undertaken by the Company during the year under review is attached as 'Annexure-3' to this Directors Report.

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

The information required under Section 134(3)(M) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 is as under:-

**[A] CONSERVATION OF ENERGY:**

- Energy Conservation Measures taken: The Company has taken all measures for conservation of energy most economically.
- The steps taken by the Company for utilizing alternate source of energy:- No such steps have been taken by the Company.
- The capital Investments on energy conservation equipment's:- No such investment has been made by the Company
- Impact of measures at (a) above for energy conservation:- These measures have led to consumption of energy more economically.

**[B] TECHNOLOGY ABSORPTION:**

Company has no manufacturing activity and consequently no technology has been imported for it.

**[C] FOREIGN EXCHANGE EARNINGS AND OUTGO:**

		(Amount in Lacs)	
		CURRENT YEAR	PREVIOUS YEAR
a)	Earning in Foreign Exchange	36811	95697
b)	Expenditure in Foreign Currency	37337	101570

**INDUSTRIAL RELATIONS:**

Cordial and harmonious industrial relations prevailed throughout the year.

**POLICIES OF THE COMPANY:**

Pursuant to the provisions of the Companies Act, 2013, the Company has framed following Policies:-



### **1. Corporate Social Responsibility Policy:**

The details of the Corporate Social Responsibility Policy are mentioned as 'Annexure-A' to Annual Report on CSR Activities (Annexure 3 to this Report)

### **2. Whistle Blower/Vigil Mechanism Policy:**

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the Whistle blower to report any unethical or improper practice (not necessary violation of law) and to define processes for receiving and investigating complaints. The company has assigned the email IDs [secretarial@imkdevelopers.in](mailto:secretarial@imkdevelopers.in) or [deepakkothari@panparag.com](mailto:deepakkothari@panparag.com) on which anyone can report or send written complaint to the Vigilance Officer, Director and the Chairman of the Board of Directors. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice. The details of the Whistle Blower/Vigil Mechanism Policy are mentioned as 'Annexure-4' to this report.

### **3. Risk Management Policy:**

The Company has developed and implemented Risk Management Policy for the Company which inter-alia includes identification therein elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. The details of Risk Management Policy are mentioned as 'Annexure-5' to this report.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant, material orders passed by the regulators or courts or tribunal which would impact the going concern status of the Company and its future operations.

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

The Company has in place, an Anti-sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment if any. All employees (Permanent, Contractual, Temporary and Trainees) are covered under this policy. There were no complaints received from any employee during the financial year 2022-23 and hence no complaint is outstanding as on 31.03.2023 for redressal.

### **MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION:**

There have been no material changes and commitments which have occurred between the end of Financial Year and the date of this report which can have impact on financial position of the Company.

### **INDUSTRY STRUCTURE & DEVELOPMENTS:**

The global economy is currently facing headwinds due to slowdown in demand, rising interest rates, spillovers from the Russia-Ukraine conflict, and uncertainties in the financial system. Price pressures continue to remain elevated compared to their respective central bank targets, pushing the major Central banks to stay on the path of monetary policy tightening. Also, the recent streak of bank collapses has rattled the global financial system adding to economic uncertainties.

The ongoing Russia- Ukraine conflict presents the most challenging variable. Serious attempts to de-escalate have not yet been seen, and offensives and counter-offensives still persist which could have severe economic and strategic disruptions.

The uneven distribution of rainfall coupled with the increasing probability of El Nino can have a material impact on monsoon in India which further impact the rural consumer demand and also lead to rise food inflation. However, India's macroeconomic scenario appears to be on a comfortable pedestal and despite the slowdown in the global economy and uncertainties in the financial system, the India economy has remained resilient and will continue to grow at a steady pace.

**COST RECORDS:**

Maintenance of cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not required by the Company.

**COMPLIANCE WITH SECRETARIAL STANDARDS:**

The applicable secretarial standards issued under section 118 of the Companies Act, 2013, have been complied with.

**THE ANNUAL RETURN:**

The Annual Return of the Company for the year ended 31<sup>st</sup> March, 2023 will be filed with the Registrar of Companies in the due course in the prescribed Form i.e. MGT-7.

**ACKNOWLEDGEMENT:**

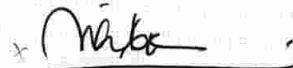
Your Directors wish to place on record their appreciation for the co-operation and support extended by various Government Departments, Bankers etc.

By order of the Board  
For KPL EXPORTS LIMITED

Place: Kanpur  
Date: 22<sup>nd</sup> May, 2023



(DEEPAK KOTHARI)  
DIRECTOR



(MITESH KOTHARI)  
DIRECTOR



## **ANNEXURE-1 TO DIRECTORS' REPORT**

### **Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2023**

[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 of  
KPL Exports Limited  
Pan Parag House  
24/19, The Mall  
Kanpur-208001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KPL Exports Limited (CIN: U74900UP2008PLC035118) (hereinafter called "Company") for the financial year ended 31<sup>st</sup> March, 2023 ('the year' / 'audit period' / 'period under review').

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and provided either as hard copies or scanned copies by email and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the audit period according to the provisions/clauses of:

- (i) The Companies Act, 2013 and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) 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, as applicable;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company:-

- The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- 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;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

**I further report that:**

The Board of Director of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. There are no changes in the Directorship of the Company during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings in compliance, with the provisions of the Act. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee meetings are carried out unanimously as recorded in the minutes of the Board of Directors or Committees of the Board, as the case may be.

**I further report that** as per the explanations given to me and the representations made by the Management and relied upon by me, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that during** the audit period the company has following events /actions having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc:

The Board has resolved to avail unsecured loan from M/s. Scaffold Properties Pvt. Ltd. upto a maximum limit of Rs.50 Crores @ 9.75% p.a.

The Board has also resolved to avail unsecured loan from M/s. Camelia Griha Nirman Pvt. Ltd. upto a maximum limit of Rs.29 Crores @ 8.5% p.a.

Place : Kanpur  
Date : 22<sup>nd</sup> May, 2023

(NIYATI KEDIA)  
ACS-31105/ CP No.14107  
UDIN: A031105E000471600

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



To,  
The Members of  
KPL Exports Limited  
Pan Parag House  
24/19, The Mall  
Kanpur – 208 001

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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-check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I 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. My examination was limited to the verification of procedures on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Kanpur  
Date : 22<sup>nd</sup> May, 2023

**NIYATI KEDIA**  
**ACS No. 31105/ CP No.14107**  
**UDIN: A031105E000471600**

**ANNEXURE-2 TO DIRECTORS' REPORT**

**Form No. AOC-2**

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

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis: ----- NIL-----

(a) Name(s) of the related party and nature of relationship

(b) Nature of contracts/arrangements/transactions

(c) Duration of the contracts / arrangements/transactions

(d) Salient terms of the contracts or arrangements or transactions including the value, if any

(e) Justification for entering into such contracts or arrangements or transactions

(f) Date(s) of approval by the Board

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	The details of the transactions with related parties are provided in the accompanying financial statements
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

By order of the Board  
For KPL EXPORTS LIMITED

Place: Kanpur  
Date: 22<sup>nd</sup> May, 2023

  
(DEEPAK KOTHARI)  
DIRECTOR

  
(MITESH KOTHARI)  
DIRECTOR



### ANNEXURE-3 TO DIRECTORS' REPORT

#### Annual Report on CSR Activities and CSR Policy

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

The Board of Directors of the Company, after taking into account the recommendations of the CSR Committee, has approved a CSR Policy for the Company. As required under Section 135(4) of the Companies Act, 2013, the aforesaid policy is attached to this Report as "Annexure-A".

There is no CSR contributions during the year under review, as there is average net loss of the Company for last three years. Hence the Company has not made any CSR expenditure.

- 2. Composition of the CSR Committee.**

The composition of the CSR Committee is as follows:

NAMES OF DIRECTORS	DESIGNATION IN COMMITTEE
Sri Deepak Kothari	Chairman
Sri Pramod Kumar Tandon	Member
Sri Mitesh Kothari	Member

- 3. Average net profit of the company for the last three financial years, as per Section 198 of the Companies Act, 2013.**

The average net profits of the Company for last three financial years ended 31<sup>st</sup> March, 2023 is Rs. (88058161/-)

- 4. Prescribed CSR expenditure (two percent of the amount as in item 3 above)**

The prescribed CSR expenditure for the year is Rs. --- NIL ---

- 5. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report. Not Applicable**

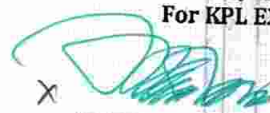
- 6. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.**

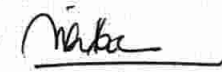
The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and policy of the Company.

By order of the Board  
For KPL EXPORTS LIMITED

Place: Kanpur

Date: 22<sup>nd</sup> May, 2023

  
(DEEPAK KOTHARI)  
DIRECTOR

  
(MITESH KOTHARI)  
DIRECTOR

## **CORPORATE SOCIAL RESPONSIBILITY POLICY** **OF** **KPL EXPORTS LIMITED**

### **1. Introduction**

The Board of Directors ("The Board") of KPL Exports Ltd. (hereinafter referred to as the Company) has adopted the following policy and procedures with regard to Corporate Social Responsibility. The Board may review and amend this policy from time to time subject to recommendations of Corporate Social Responsibility Committee.

### **2. Policy Objective**

The Company is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

### **3. Principles**

The Corporate Social Responsibility activities of the Company will be implemented in accordance with the following principles:

- Businesses should respect, protect and make efforts to restore the environment.
- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Businesses should respect and promote human rights.
- Business should work towards equal development of society.
- Business should respect cultural ethnicity and dignity of individuals and foster positive relationship with the people in the areas where the Company operates.
- Business should provide development opportunities to local communities in a culturally appropriate manner, in consultation & cooperation with local government authorities and other stakeholders, as may be appropriate.
- Business should endeavor to develop local entrepreneurship and encouraging use of local goods, services and manpower to promote inclusive economic growth of local areas.

### **4. Scope of Corporate Social Responsibility Activities**

In line with the broad principles defined above, the Company would have freedom and flexibility to choose from any of the activities specified in Annexure 1. The Corporate Social Responsibility projects and programs to be undertaken by the Company shall include activities falling within the purview of schedule VII of Companies Act, 2013; as amended from time to time. Thus, with any change in the statutory provisions governing the activities, the Annexure 1 shall be deemed to include/exclude such activities as permissible under law.



The list and implementation modalities may be modified from time to time, as per recommendations of the Corporate Social Responsibility Committee of the Company.

The surplus, if any, arising out of Corporate Social Responsibility initiatives of the Company shall not form part of its business profits and shall be utilized for Corporate Social Responsibility activities only.

#### **5. Corporate Social Responsibility Implementation**

The Corporate Social Responsibility Committee will be responsible for overseeing the approval, execution, implementation and monitoring of the projects.

These projects will be executed by the Company and where appropriate in partnership with local government, various NGO partners, service providers and others.

In case the Company undertakes to carry any of the projects through any trust, society or company not established by the Company or its holding or subsidiary or associate company, the Corporate Social Responsibility Committee shall ensure that such trust, society or company has an established track record of three years in undertaking similar programs or projects and is eligible to undertake the projects under section 135 of the Act.

#### **6. Corporate Social Responsibility Budget**

The Corporate Social Responsibility Committee under the supervision of the Board shall try to ensure that the Company spends in each Financial Year (FY), at least two per cent of the average net profit (calculated as per section 198 of the Act) made during the three immediately preceding financial years (Corporate Social Responsibility Budget).

If the company is unable to spend the prescribed 2% of its average net profit as mentioned above, the committee will review the reasons for the same and place the same with justification to the Board.

The Company will report reasons for not spending the entire Budget outlay for Corporate Social Responsibility allocated in any financial year. The unutilized fund would remain part of the corpus and get carried forward for the next year for expenditure thereon. The Company has to provide reason for not spending such amount in that financial year. Further, it will not dilute the fund allocation requirement for such next financial year.

To comply with the obligations, the Corporate Social Responsibility Committee may also decide to contribute amount of Corporate Social Responsibility Budget, either wholly or partially towards Corpus of any foundation provided under Schedule VII (as amended from time to time) as may be approved by the Board.

#### **7. Targets and Performance measures**

To ensure effective implementation, the Committee will set measurable targets for each Corporate Social Responsibility project and Funds for such projects.

#### **8. Corporate Social Responsibility Committee**

The Company has constituted Corporate Social Responsibility Committee (CSR Committee) as per Companies Act, 2013 and other applicable provisions, if any, of any other act, as may be applicable, for the time being in force. Corporate Social Responsibility Committee is responsible for overall supervision of Corporate Social Responsibility activities as may be carried out by the Company.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Composition of the Corporate Social Responsibility Committee of KPL Exports Ltd. is as under:

- |    |                         |          |
|----|-------------------------|----------|
| 1. | Sri Deepak Kothari      | Chairman |
| 2. | Sri Pramod Kumar Tandon | Member   |
| 3. | Sri Mitesh Kothari      | Member   |

#### **9. Monitoring Activities**

The Corporate Social Responsibility projects shall be monitored by the Corporate Social Responsibility Committee as follows:

The Corporate Social Responsibility Committee will be monitoring the Corporate Social Responsibility Policy on half yearly basis and among other agenda shall consider the following:

- Monitoring the utilization of funds towards approved Corporate Social Responsibility Activities.
- Define and review targets for the Corporate Social Responsibility commitments and performance measures.
- Evaluate actual Corporate Social Responsibility performance and impact such activities are making on the people, society and environment.
- Corrective measures to be taken to rectify deviations (if any)

The members of the Corporate Social Responsibility Committee (and specifically the Committee Chairman) may also undertake the following activities, whenever it deems necessary for effective discharge of its responsibilities:

- Field visits to Project / Programme sites;
- Interaction with beneficiary communities to obtain feedback;

#### **Review of Policy**

- The Corporate Social Responsibility policy will be reviewed periodically by the Corporate Social Responsibility Committee of the Company.

#### **10. Documentation, reporting and disclosures**

As part of compliance to the Act, and in preparation of the Annual Corporate Social Responsibility Report as per Reporting Format, the Company will ensure the following:

1. All Corporate Social Responsibility Projects/Programmes are comprehensively documented.
2. All appropriate MIS are maintained, in a suggestive template.
3. Accountability is fixed at every level of the Corporate Social Responsibility process and the implementation apparatus.



#### **11. Disclosure in the Annual Report of the Company**

The details about the policy developed and implemented by the Company on Corporate Social Responsibility, initiatives taken during the year and details of Corporate Social Responsibility Budget spent during the financial year shall be disclosed in the Director Report of the Company.

This policy shall be subject to amendments under the Companies Act, 2013 or any other applicable law or regulation.

Place: Kanpur  
Date: 22<sup>nd</sup> May, 2023

By order of the Board  
For KPL EXPORTS LTD.

	
(DEEPAK KOTHARI) DIRECTOR	(MITESH KOTHARI) DIRECTOR

## Annexure to CSR Policy

### Corporate Social Responsibility Activities as provided in Schedule VII

- i. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. contribution to the Prime Minister's National Relief Fund or any other-fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- x. rural development projects.
- xi. slum area development.

Explanation - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

By order of the Board  
For KPL EXPORTS LIMITED

Place: Kanpur  
Date: 22<sup>nd</sup> May, 2023

  
(DEEPAK KOTHARI)  
DIRECTOR

  
(MITESH KOTHARI)  
DIRECTOR



**VIGIL MECHANISM / WHISTLE BLOWER POLICY**  
**OF**  
**KPL EXPORTS LIMITED**

**1. PREFACE**

- 1.3 Section 177 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 requires every listed company, companies which accept deposits from the public and companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees to establish a vigil mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct or ethics policy. Such a vigil mechanism shall provide for adequate safeguards against victimization of directors and employees and also make provisions for direct access to the chairperson of the Board of Directors in exceptional cases.
- 1.4 In compliance of the above requirements, M/s KPL Exports Ltd., being an Unlisted Company which have borrowed money from banks and public financial institutions in excess of fifty crore rupees has established a "Vigil Mechanism/Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct.

**2. POLICY OBJECTIVES**

- 2.1. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Board of Directors in exceptional cases.
- 2.2. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

**3. SCOPE OF THE POLICY**

- 3.1. This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

**4. DEFINITIONS**

- 4.1. "Alleged wrongful conduct" shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".
- 4.2. "Board" means the Board of Directors of the Company.
- 4.3. "Company" means the KPL Exports Ltd.
- 4.4. "Code" means Code of Conduct for Directors and Senior Management Executives adopted by KPL Exports Ltd.
- 4.5. "Employee" means all the present employees and whole time Directors of the Company (Whether working in India or abroad).

4.6. "Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

4.7. "Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

4.8. "Vigilance Officer" means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Board of Directors for its disposal and informing the Whistle Blower the result thereof.

4.9. "Whistle Blower" is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

#### **5. ELIGIBILITY**

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

#### **6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.**

6.1. All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Hindi.

6.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be superscribed as "Protected disclosure under the Whistle Blower policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Board of Directors to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer. The Vigilance Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

6.3. Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

6.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance Officer /authorized director as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

6.5. All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the authorized director in exceptional cases.

The contact details of the Vigilance Officer is as under:-

Name and Address - Shri Anurag Tandon

Kothari Products Limited

C/62, Vibgyor Tower

5<sup>th</sup> Floor, Bandra Kurla Complex

Bandra East

Mumbai- 400051

E-mail- [anuragtandonca@gmail.com](mailto:anuragtandonca@gmail.com)

Phone No.: 022-43119000

6.6. Protected Disclosure against the Vigilance Officer should be addressed to the Chairman of the Board of Directors. The contact details of the Authorized Directors is as under:

**Name and Address of Authorized Directors**

Sri Deepak Kothari

KPL Exports Ltd.

'Pan Parag House', 24/19 The Mall

Kanpur - 208 001

Email- [deepakkothari@panparag.com](mailto:deepakkothari@panparag.com)

Phone no.: 0512-2312171

6.7. On receipt of the protected disclosure the Vigilance Officer / authorized Directors, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Board of Directors of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Details of actions taken by the Vigilance Officer for processing the complaint
- d) Findings of the Board of Directors
- e) The recommendations of the Board of Directors/other action(s).

6.8. The Board of Directors, if deems fit, may call for further information or particulars from the complainant.

**7. INVESTIGATION**

7.1. All protected disclosures under this policy will be recorded and thoroughly investigated. The Board of Directors may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.

7.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

7.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

7.4. Subject(s) shall have a duty to co-operate with the Board of Directors or any of the Officers appointed by it in this regard.

7.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance officer / Investigators and/Board of Directors and/or the Whistle Blower.

7.6. Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

7.7. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

7.8. Subject(s) have a right to be informed of the outcome of the investigations.

7.9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Board of Directors deems fit.

**8. DECISION AND REPORTING**

8.1. If an investigation leads the Vigilance Officer / Chairman of the Board of Directors to conclude that an improper or unethical act has been committed, the Vigilance Officer / Chairman of the Board of Directors shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

8.2. The Vigilance Officer shall submit a report to the Chairman of the Board of Directors on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.



8.3. In case the Subject is the Chairman and Managing /CEO of the Company, the Chairman of the Board of Directors after examining the Protected Disclosure shall forward the protected disclosure to other members of the Board of Directors if deemed fit. The Board of Directors shall appropriately and expeditiously investigate the Protected Disclosure.

8.4. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance Officer or the Board of Directors shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

#### 9. **SECRECY / CONFIDENTIALITY**


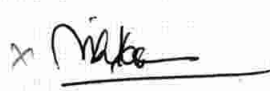
9.1. The complainant, Vigilance Officer, Members of Board of Directors, the Subject and everybody involved in the process shall:

9.1.1. Maintain confidentiality of all matters under this Policy

9.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

By order of the Board  
For KPL EXPORTS LIMITED

Place: Kanpur  
Date: 22<sup>nd</sup> May, 2023

   
(DEEPAK KOTHARI) (MITESH KOTHARI)  
DIRECTOR DIRECTOR

<p style="text-align: center;"><b><u>RISK MANAGEMENT POLICY</u></b> <b><u>OF</u></b> <b><u>KPL EXPORTS LIMITED</u></b></p>
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**I. STATEMENT OF PURPOSE**

The purpose of this policy is to establish parameters for KPL Exports Limited governing the management of foreign currency exposures. KPL Exports Limited is exposed to foreign currency rate fluctuations in the normal course of its business. A portion of our revenues expenses, capital and trading / Business activities are transacted in foreign currencies.

The objective of currency management is to minimize, to the extent possible, any effect the fluctuation in foreign exchange rates on KPL Exports Limited Earning or fair values of assets and liabilities, without exposing company to any risks associated with transactions, which could be regarded as speculative.

Foreign currency risk management covers the identification of currency exposures, risk managements and the actions employed to mitigate such risks, Currency risk mitigation entails cash flow management or utilizing hedging instruments to protect against volatility of earnings or the Indian Rupee (INR) equivalent of cash flows associated with changes in foreign exchange rates.

**II. SCOPE**

This policy applies to KPL Exports Limited and its Subsidiaries (hereinafter referred to as "the Company").

**III. POLICY GUIDELINES**

Company will Book the Foreign Currency Exposure as per the Given Guidelines of FEMA and RBI Master Circular on Risk Management and Inter Bank Dealing (RBI/2014-15/12 Master Circular No. 5/2014-15).

1. The Company uses derivative instruments, primarily forward contracts to hedge foreign currency exposures. Other hedging instruments such as plain vanilla options, risk reversals and participating forwards will be used only in special circumstances as approved. The maturity of such instruments should no longer than one year.
2. The Company will hedge its known exposures if its determined that changes in foreign exchanges rates are to have a material impact on earnings or fair values of assets and liabilities.
3. The Company does not use derivative contracts for speculative purposes.
4. Company designates its derivatives as fair values hedges, cash flow hedges or hedges of the foreign exposure of a net investment in a foreign operation (net investments hedge)
5. The Company estimates the fair value of derivatives based on quoted market prices and records all derivative on the balance sheet at fair value.

6. The Company will hedge the fair value exposure of recognized foreign currency denominated assets or liabilities, or previously unrecognized firm commitment. For derivatives instruments that are designated as fair value hedge, the company recognizes its gains and losses, as well as the offsetting gains or losses of the hedges items, in earnings in the current period.
7. The Company will hedge exposures to the variability in the Indian Rupee equivalent of anticipated foreign exchange cash flows. These exposures arise from forecasted revenue and expenses that are denominated in currency other than Indian Rupee.
8. The Company hedge net investments in certain foreign subsidiaries whose functional currency is the local currency.
9. The Company will establish procedures for measuring and predicting the company's entire foreign exchange exposures on a periodic basis. The results will be reported to management so that they are aware of the potential exposure and may choose to take steps to limit these exposures.
10. The Foreign Exchange Policy will be generally implemented reviewed and monitored by the Foreign Exchange Review Committee (FXC) that shall consist of the Managing Director, Chief Executive Officer, Chief Financial officer and the Treasury Head.
11. The Company will only enter into derivative contracts with the financial institutions, Currency exchanges and AD category Banks (Bank of India, Punjab National bank, Indian Overseas Bank, Canara Bank, Allahabad Bank, UCO Bank, State Bank of India, Andhra Bank, Bank of Baroda, Yes Bank and ICICI Bank)

#### **IV. TREASURY STRUCTURE, RESPONSIBILITY AND AUTHORITY**

The corporate treasury department will be responsible for the execution of all foreign exchange transactions for the company. Exceptions to corporate treasury executing the foreign exchange transactions may be made based on regulatory restrictions, as per the given guidelines of FEMA and RBI Master circular on Risk management and Inter Bank Dealing (RBI/2014-15/12 Master circular No. 5/2014-15. Dated July 01, 2014) further amended from time to time.

This policy recognizes that the corporate treasury department is not a profit center and any activities that might be perceived as speculative trading is in violation of this policy.

Corporate treasury will:

1. Execute transactions in accordance with this foreign exchange policy.
2. Monitor results of all hedging activity.
3. Report results of foreign exchange activity to the FXC at least quarterly, based on gain/loss thresholds.
4. Provide mark to market (MTM) information to the FXC and the accounting function monthly, within three days of the business month end.
5. Provide information on realized gains and losses to the FXC and the accounting function within three days of the business month end.
6. Run an MTM report of outstanding derivatives weekly. If any MTM report shows a change in unrealized losses of greater than INR 20MN then this report will be sent to the FXC within one day of the MTM report being run.



7. Send all trade confirmations/ underline contract directly to the bank treasury through branch.
8. Provide all contracts related information or underline contract to the account department.

The Chief Financial Officer, head of Treasury Department and the FX treasury manager shall individually have the authority to enter into foreign exchange contracts in the company name and on its behalf within the guidelines as forth in this policy. Any exceptions to this policy must be approved, in writing, by eth chief financial officer/ Treasury head. A signed dealing mandate will be sent to all financial institutions.

- A. Responsibility of the Board of Directors: the Board of Directors has the following responsibilities with respect to the management of the Company's foreign exchange exposure.

Review of one monthly foreign exchange report per quarter to determine whether the foreign exchange activities adheres to the established foreign exchanges policy, and whether the performance of the hedging strategies are reasonable given the objectives of the company and the current economic and financial environment.

- B. Responsibility of the Chief Financial officer/ Head of Treasury Department: the chief financial officer / Head of Treasury Department has the following responsibilities with respect to the management of the company foreign exchange exposure.

Review and approval of the Company's foreign exchange policy.

Approval of all relationships with banks, setting up of limits and other financial institutions established by the treasury manager for the purpose of conducting foreign exchequer business.

Review each foreign exchange position and monthly reports for foreign exchange compliance and performance.

Approval in advance of all foreign exchange transactions that tare not consistent with the guidelines prescribe din this policy.

He must notify the board of directors of such transactions, the CFO/ Head of Treasury will implement control systems and procedures that provide for an appropriate level of segregation of duties related to the conducting and accounting for foreign exchange activity.

- C. Responsibility of the Treasury manager: The treasury manager has the following responsibilities with respect to the management of the Company's foreign exchange exposure.

Conduct foreign exchange activity that has been authorized and approved by the company. This include buying and selling foreign exchange spot and forward contracts. Conduct monthly reviews of foreign exchange positions and enter into new contracts as necessary.

Preparation of the reports specified in this Foreign Exchange Policy for management review.

## V. REPORTING

- A. Report Contents: the treasury department will prepare, and the chief financial officer. Head of treasury department will review. A monthly foreign exchange report on accounting exposures that contains the following information:

1. The net transaction exposure of the company by currency and recommendations of appropriate hedging actions.
  2. Number of transactions (contracts purchased and sold) made during the month.
  3. Summary of the current open foreign exchange contracts, and explanation of the strategy behind the open positions.
  4. Results of positions and that have been closed during the month.
  5. Reasons for and amounts of violations of or exceptions to the foreign exchange policy in the portfolio.
  6. Status of any foreign exchange positions that might require management attention.
- B. Report Distribution: the monthly Foreign Exchange Report will be distributed to the chief financial officer and Treasury head. Once per quarter, the report will go to the board of directors for review.

## **VI. INTERNAL ACCOUNTING CONTROLS**

The treasury manger is responsible or recommending and the treasury heads is responsible for approving the hedging strategies only the chief financial officer, treasury head, and the treasury manager shall have the authority to enter foreign exchange contracts that will provide foreign exchange coverage. The treasury head is responsible for implementing internal control procedures, accounting entries and ensuring that procedures are followed. Once the Chief Financial Officer/treasury head has approved a hedging strategy, the treasury manager is authorized to execute the contracts with an approved bank. The following procedures shall be followed.

1. All transactions will be recorded immediately upon execution on the FX contract log kept by the treasury manager. The aggregate amount of hedge contracts by currency should not deviate from the approved covering action.
2. Immediately upon execution the treasury manager will provide all details of each contract to the controller and send the bank a written contract confirmation listing the pertinent details of the contract currency, amount, spot and forward rates, value date and purposed of hedge. These contacts shall crosschecked against the FX exposure of log sheet. These conformations will be used as the primary means for checking the accuracy of the confirmation issued by the banks.
3. Bank confirmation of foreign exchange transactions will be sent directly to the treasury head the treasury head or designated person shall keep a log of incoming confirmations filed by bank. If the confirmation has not been received within 10 working days after execution day of the contract the controller will personally contact the bank to verify that the trade is in banks record and request a confirmation in writing from the bank.
4. The Accounts Department shall compare the banks record of the transaction with the Company originated confirmation. If the two record concur the Account's head will sign the bank confirmation and return it to the appropriate bank (keep copies of the signed confirmations for the treasury manger's files), if there is a discrepancy the account head will personally contact both the bank and the treasury manager to determine whose record are in error, the chief financial officer/ tracery head shall be notified of all discrepancy occurrences.
5. At the end of the month, the account head or a designated person shall review all incoming and outgoing cash transfers pertaining to foreign exchange. The accounts head shall ensure that the appropriate amounts were received/paid on the appropriate dates. Specifically, cash

transfers related to FX contracts should be reconciled with the Monthly FX contract summary and supported by copies of the confirmations, the same procedure shall be performed at the end of each quarter for the entry supporting unrealized gains/losses on open FX contracts.

## VII. REVIEW OF FOREIGN EXCHANGE MANAGEMENT

- A. Policy Exceptions: this policy provides guidelines for the management of the foreign exchange hedging. Under some circumstances foreign exchange transactions that are appropriate for the company and entirely within the spirit of this Foreign Exchange Policy as described in the objectives section may not fall within the prescribed quantitative guidelines contained in this Foreign Exchange Policy. When the treasury determines that a foreign exchange transaction is in the best interest of the Company and is consistent with the objectives of this foreign exchange policy, the transaction is permitted even though it is not consistent with the quantitative guidelines, subject to the following controls.

Whenever a transaction is made that is an exception to the quantitative guidelines. The chief financial officer/ treasury head must approve the transaction in writing prior to the execution. It will be reported to the chief executive officer and the board of directors in the monthly FX report as required by section IIA of this policy.

If the policy is breached, the Chief financial officer/treasury head must be notified immediately, the chief financial officer/treasury head is the responsible for notifying the board of directors of the breach of policy, either immediately or in the quarterly foreign exchange report, at his discretion.

### B. Policy review

This policy will be reviewed annually at a minimum to ensure that it remains consistent with the overall objectives of the company and current with financial trends.

The policy may be reviewed and update more frequently if conditions dictate.

Proposed amendments to the policy should be prepared by the treasury manager and should be reviewed and ratified by the chief financial officer, chief executive officer, treasury head and the board of directors.

By order of the Board  
For KPL EXPORTS LIMITED

Place: Kanpur

Date: 22<sup>nd</sup> May, 2023

  
(DEEPAK KOTHARI)  
DIRECTOR

  
(MITESH KOTHARI)  
DIRECTOR





## Independent Auditor's Report

**To the Members of KPL Exports Limited**

**Report on the Audit of financial statements**

### Opinion

We have audited the accompanying financial statements of KPL Exports Limited (*"the Company"*) which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [hereinafter referred to as *"the financial statements"*].

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (*"the Act"*) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (*"Ind AS"*) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Emphasis of Matters

We draw attention to Note 9 in the financial statements which indicate that there are trade receivables amounting to Rs.1554.33 lakhs, which are more than 2 years old on which no ECL provision is made by the company and it was explained to us that the debtors have confirmed to make the payments within 6 months from the end of the financial year ended 31st March 2023. Similarly, no provision is made on trade receivables amounting to Rs.20685.81 lakhs, which are 21 months old and it was explained to us that those debtors have confirmed to make the outstanding payments within 6 months from the end of the financial year ended 31st March 2023. In this regard, the management and those charged with the governance have represented us that there will not be any significant differences in the balances, which may require adjustment in financial statement.

Our opinion is not modified in respect of these matters.



### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 – 'Key Audit Matters' are not applicable to the Company as it is an unlisted company.

### Information Other than the financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibility of Management for the Financial Statements

The Company's Board of Directors is for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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





### Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or



regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

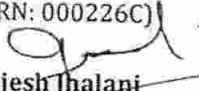
As required by Section 143(3) of the Act, based on our report we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Change in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in Auditors's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the company has not paid remuneration to its Directors during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company 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. There were no amounts which were required to be transferred to the Investor Education and protection fund, to the Investor Education and Protection Fund by the Company;
- iv. a) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in persons or entities identified in any manner whatsoever by or on behalf of the Company ("ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under clause (a) and (b) above, contain any material misstatement.
- (v) In our opinion, the company has not declared and paid interim dividend during the year so this para is not applicable to the company.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Mehrotra & Mehrotra  
Chartered Accountants  
(FRN: 000226C)

  
Rajesh Jhalani  
Partner  
M. No. 074809



Place: New Delhi

Date: 22<sup>nd</sup> May, 2023

UDIN: 23074809B4VBQE 2090

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

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements of KPL Exports Limited for the year ended 31st March, 2023, we report that:

(i) In respect of Company's Property, Plant and Equipment and Intangible Assets:

(a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment (PPE).

(b) There is no intangible Asset with the company hence clause (i)(b) of the order is not applicable to the Company.

(c) The fixed assets of the Company have been physically verified by the management at reasonable intervals as per information provided to us and as explained; no material discrepancies were noticed on such verification;

(d) Based on our examination of lease agreement for land on which building is constructed, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(e) The company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.

(f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988(as amended in 2016) and rules made there under.

(ii) (a) According to the information and explanations given to us, the inventories have been physically verified by the management to the extent practicable at reasonable intervals during the year and as explained, there was no material discrepancies noticed on such verification.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, during the year from banks on the basis of security of current assets hence clause (ii)(b) of the order is not applicable.

(iii) The Company has made investments in one company and granted unsecured loans to six companies the details of which are given as under:

(a) The Company has made investment in one company and provided loans to one associate and 5 other parties other than subsidiaries, joint ventures and associates. the details of aggregate amount and balance outstanding at the year-end is given as under:





Sl. No.	Nature	Aggregate Amount (Rs. in lakhs)	Outstanding at the balance sheet date (Rs. in lakhs)	Relationship
1	Loan Provided	8225.00	8225.00	KMP and their relatives have substantial interest/significant influence
2	Loan provided	1720.20	1720.20	Unrelated parties
3	Investment in Unsecured Optionally Convertible Debentures (OCD)	3210.00	3210.00	Unrelated Party

The above outstanding loan amount is appearing in Note No. 41 and investments are appearing in Note No. 4 and 8.

(b) In our opinion and according to the information and explanations given to us, the investments made and loan provided by the company and the terms and conditions of the grant of loans and investments made, during the year are prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated except 3 loans amounting to Rs.1683.00 lakhs, where the terms regarding repayment is not stipulated, however as per terms, the repayment of the loan or interest has not fallen due during the year. Thus, there has been no default on the part of the party to whom the money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) In our opinion and according to the information and explanations given to us, no amount is overdue for more than ninety days in respect of the aforesaid loans as per repayment schedule of principal and payment of interest. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

(e) No loan granted by the Company which has fallen due during the year and has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) The company has granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment in respect of 3 loans amounting to Rs.1683.00 lakhs. The company has granted loan of Rs.8225.00 to the entity related to the promoters, a related party as defined in clause (76) of Section (2) of the Companies Act, 2013 ("the Act")



- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of Companies Act, 2013 with respect to the loans, investments, guarantees and security provided by it.
- v) According to the information and explanations given to us, the Company has not accepted any deposits which are deemed to be deposits. Hence, reporting under clause (v) of the order is not applicable.
- vi) Having regard to the nature of company's business / activities, reporting under clause (vi) of the order is not applicable.
- vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities to the extent these are applicable.
- (b) According to the information and explanations given to us, in respect of statutory dues, no undisputed dues were in arrears as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they become payable.
- (C) According to the information and explanations given to us, there is no disputed amount payable in respect of statutory dues referred to in sub-clause (a) above as at 31st March, 2023.
- viii) According to the information and explanations given to us and the records of company examining by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).
- ix) (a) According to the records of the company examined by us and the and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest there on to any lender.
- (b) According to the information and explanations given to us and on the basis of audit procedures, we report that the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to information and explanation given to us, the company has applied the term loan for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on the basis of audit procedures performed by us and on an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, the company has not raised any loans on pledge of security held in its subsidiaries,



joint ventures or associate companies during the year and hence reporting on clause (ix) (f) of the order is not applicable.

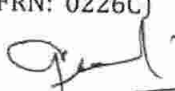
- (x) (a) According to information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer or private placement of share or convertible debentures. Accordingly, clause (x)(a) of the order is not applicable.
- (b) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit;
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, no report under sub-section (12) of section 143 of the of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies Audit and Auditors) Rules, 2014 with the Central Government; Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company;
- (c) To the best of our knowledge and according to the information and explanations given to us, no whistle blower complaints were received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, para (xii) of the order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) (a) In our opinion and according to the information and explanation given to us, the Company has yet to implement internal audit system commensurate with the size and the nature of its business.
- (b) In view of the clause (a) above, the reporting as per clause xiv (b) related to review of Internal Audit Report is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him in term of section 192 of Act. Accordingly, para (xv) of the order is not applicable.
- (xvi) (a) As per our information, the company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the order is not applicable.
- (b) Based on the information and explanations provided by the management of the Company. There is not more than one core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable





- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and based on our examination of the records of the company and on the basis of the financial ratio (Refer Note 38) ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) There are no unspent amounts towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause(xx) of the order is not applicable for the year.
- (xxi) The reporting under clause (xxi) of the Order is not applicable in respect of audit of the financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Mehrotra & Mehrotra  
Chartered Accountants  
(FRN: 0226C)

  
**Rajesh Jhalani**  
Partner  
M. No. 074809



Place: Kanpur  
Date: 22<sup>nd</sup> May, 2023

UDIN: 23024809 BCUBRG 2090

## **Annexure - B to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of KPL Exports Limited ("the Company") as of 31<sup>st</sup> March 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

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

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**

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us the Company has in all material respects, except the control over system of cross checking and verification of vouchers prepared which needs to be strengthened, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023 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 Mehrotra & Mehrotra**

Chartered Accountants

(FRN: 0226C)



Rajesh Jhalani

Partner

M. No. 074809



Place: New Delhi

Date: 22nd May, 2023

UDIN: 23074809ABAE2090



## KPL EXPORTS LIMITED.

## BALANCE SHEET AS AT 31ST MARCH, 2023

PARTICULARS	NOTE	Amount (Rs. in Lacs)	
		As at 31st March 2023	As at 31st March 2022
<b>I. ASSETS</b>			
(1) Non-Current Assets			
Property, Plant and Equipment	2	#	1
Investment Property	3	2054	2121
Financial Assets			
Investments	4	3210	
Other Financial Assets	5	566	5614
Deferred Tax Assets (Net)	6	24	122
(2) Current Assets			
Inventories	7	182	
Financial assets			
Investments	8	242	115
Trade Receivables	9	23555	69579
Cash and Cash Equivalents	10	812	2135
Bank Balances other than Cash and Cash Equivalents	11	987	5593
Loans	12	11045	748
Other Financial Assets	13	3016	3478
Current Tax Assets (Net)	14	58	51
Other Current Assets	15	941	889
<b>TOTAL ASSETS</b>		<b>46702</b>	<b>90446</b>
<b>II. EQUITY &amp; LIABILITIES</b>			
(1) Equity			
Equity Share capital	16	600	600
(2) Other Equity	17	19309	19099
(3) Non-current liabilities			
Financial Liabilities:			
Borrowings	18	7520	21566
Provisions	19	1	
(4) Current Liabilities			
Financial Liabilities:			
Borrowings	20	19072	18792
Provisions	21	#	
Trade Payables	22		
(a) Total Outstanding Dues of Creditors Micro & Small Enterprises	22.1		
(b) Total Outstanding Dues of Creditors Other than Micro & Small Enterprises	22.2	40	30153
Other Current Liabilities	23	160	236
<b>TOTAL EQUITY &amp; LIABILITY</b>		<b>46702</b>	<b>90446</b>
Significant Accounting Policies	1		
The accompanying notes forms an integral part of these Financial Statements.	2-43		

AS PER OUR REPORT OF EVEN DATE ATTACHED HERETO

For MEHROTRA &amp; MEHROTRA

Firm Regn NO. 000226C

CHARTERED ACCOUNTANTS

(Rajesh Jhalani)

Partner

Membership No. 074809

Place: New Delhi

Date: 22nd May 2023

For and on behalf of the Board

(DEEPAK KOTHARI)

Director

Place: Kanpur

Date: 22nd May 2023

(MITESH KOTHARI)

Director

Place: Kanpur

Date: 22nd May 2023

**KPL EXPORTS LIMITED**

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2023**

PARTICULARS	NOTE	Amount (Rs.in Lacs)	
		Year Ended 31st-March 2023	Year Ended 31st-March 2022
<b>I. Revenue from Operations</b>			
Revenue from operations	24	37448	124419
Other income	25	2425	1266
<b>Total Income</b>		<b>39873</b>	<b>125685</b>
<b>II. Expenses</b>			
Purchase of stock-in-trade	26	37346	123536
Changes in inventories	27	(192)	
Employee benefit expense	28	55	37
Finance Cost	29	2009	1234
Depreciation and amortisation expense	2 & 3		
Other Expenses	30	186	128
<b>Total Expenses</b>		<b>39404</b>	<b>124935</b>
<b>III. Profit before Exceptional Items &amp; Tax</b>		<b>469</b>	<b>750</b>
Exceptional items			
<b>IV. Profit/(Loss) before Tax</b>		<b>469</b>	<b>750</b>
Income Tax Expense			
Current tax		175	125
Deferred tax		1	(124)
Excess Provision of Income Tax for Earlier Year (Net)		82	5
<b>V. PROFIT/(LOSS) FOR THE YEAR</b>		<b>211</b>	<b>744</b>
<b>VI. Other Comprehensive Income</b>			
A. Items that may be reclassified to profit or loss			
Income Tax relating to these items			
B. Items that will not be reclassified to profit or loss			
Income Tax relating to these items			
<b>Other Comprehensive Income for the Year (Net of Tax)</b>			
<b>VII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>211</b>	<b>744</b>
<b>VIII. Earnings per Share</b>			
Basic EPS		3.51	12.40
Diluted EPS		3.51	12.40
<b>Significant Accounting Policies</b>	1		
<b>The accompanying notes forms an integral part of these Financial Statements.</b>	2-43		

AS PER OUR REPORT OF EVEN DATE ATTACHED HERETO.

**For MEHROTRA & MEHROTRA**

Firm Regn NO. 000226C

CHARTERED ACCOUNTANTS

(Rajesh Jhalani)

Partner

Membership No. 074803

Place: New Delhi

Date: 22nd May 2023

For and on behalf of the Board

(DEEPAK KOTHARI)

Director

Place: Kanpur

Date: 22nd May 2023

(MITESH KOTHARI)

Director

Place: Kanpur

Date: 22nd May 2023

**Statement of Changes in Equity for the year ended March 31, 2023**

**A. Equity Share Capital**

Particulars	(Refer Note : 16)
	Amount (Rs.in Lacs)
Balances as at April 1, 2021	600
Changes in equity share capital during the year	-
Balances as at March 31, 2022	600
Changes in equity share capital during the year	-
Balances as at March 31, 2023	600

**B. OTHER EQUITY**

Particulars	Reserves and Surplus (Refer Note: 17)			Amount (Rs.in Lacs)
	Securities premium account	Debenture Redemption Reserve	Retained Earnings	Total
Balances as at 1 April 2021	10000	7489	866	18355
Transfer to Profit & Loss Account	-	(2098)	-	(2098)
Transfer from Debenture Redemption Reserve	-	-	2098	2098
Profit for the year	-	-	744	744
Other Comprehensive Income / (loss)	-	-	-	-
Total Comprehensive Income for the year	-	-	744	744
Balance as at 31 March 2022	10000	5391	3,708	19099
Balances as at 1 April 2022	10000	5391	3708	19099
Transfer to Profit & Loss Account	-	(3,511)	-	(3,511)
Transfer from Debenture Redemption Reserve	-	-	3,511	3,511
Profit for the year	-	-	211	211
Other Comprehensive Income / (loss)	-	-	-	-
Total Comprehensive Income for the year	-	-	211	211
Balance as at 31 March 2023	10000	1880	7,429	19309

AS PER OUR REPORT OF EVEN DATE ATTACHED HERETO.

For MEHROTRA & MEHROTRA

Firm Regn NO. 000226C

CHARTERED ACCOUNTANTS

(Rajesh Chahalani)

Partner

Membership No. 074809

Place: New Delhi

Date : 22nd May 2023

For and on behalf of the Board

(DEEPAK KOTHARI)  
Director

Place: Kanpur

Date : 22nd May 2023

(MITESH KOTHARI)  
Director

Place: Kanpur

Date : 22nd May 2023





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2023

PARTICULARS	Amount (Rs. in Lacs)			
	YEAR ENDED 31st MARCH, 2023		YEAR ENDED 31st MARCH, 2022	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before Tax		458		750
Adjustments for:				
Profit/(+) / Loss on Sale of Property, Plant and Equipment	(3)		4	
Profit/(+) / Loss on Sale of Investment Property	21		34	
Finance Cost	2009		1234	
Net Unrealised Foreign Gain/(+) / Loss			11	
Interest Income	(523)		(17)	
Net Gain on Investments Cancelled at Fair Value through Profit & Loss	(7)	1496	(4)	1258
Operating Profit before Working Capital Changes		1863		2094
Adjustments for:				
Trade Receivables & Others	48882		5109	
Inventories	(192)			
Trade Payables & Others	(30187)	17703	(7555)	2545
Cash Generated from Operations		18668		4553
Net Income Tax Paid		(341)		(57)
Net Cash Flow from Operating Activities		18327		4496
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Sale of Property, Plant and Equipment	4		2	
Sale of Investment Property	46		15	
Purchase of Investments	(3330)			
Inter Corporate Deposit	(110297)			
Interest Received	523		18	
Bank Deposits	7979	(5675)	4890	4954
Net Cash Flow from/(used in) Investing Activities		(5675)		4954
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Secured Loans from Banks	1845		(5050)	
Loans from Holding Co.	(6606)		21848	
Loans from Director	694		(12045)	
Long Term Unsecured Borrowing (Debt Instrument Issued/Redeemed)	(14046)		(15391)	
Inter Corporate Deposit	4347		507	
Finance Cost	(6009)	(13723)	(1204)	(11265)
Net Cash Flow from/(used in) Financing Activities		(13775)		(11265)
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C):</b>		(1323)		(1815)
Cash & Cash Equivalents - Opening Balance		2135		3950
Cash & Cash Equivalents - Closing Balance		812		2135

Note: The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of the current year.

Note:

- The above Cash flow statement has been prepared under the "Indirect Method" as set out in the AS-3, Statement of Cash Flows.
- The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of the current year.
- Components of cash and cash equivalents:

Particulars	As at 31 March 2023	As at 31 March 2022
(a) Cash in hand	6	6
(b) Balances with Scheduled Banks:		
(i) In Current Accounts	426	1,527
(ii) Bank Deposits with original maturity of less than three months (including interest accrued but not due)	380	602
<b>TOTAL</b>	<b>812</b>	<b>2,135</b>

AS PER OUR REPORT OF EVEN DATE ATTACHED HERETO

For MEHROTRA & MEHROTRA

Firm Regn NO. 080290

CHARTERED ACCOUNTANTS

(Place)

Partner

Membership No.

Place: New Delhi

Date: 22nd May 2023

For and on behalf of the Board

(DEEPAK KOTHARI)

Director

Place: Raipur

Date: 22nd May 2023

(MITESH KOTHARI)

Director

Place: Raipur

Date: 22nd May 2023



## **Note: 1 OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES**

### **COMPANY OVERVIEW:**

KPL Exports Limited ('the Company') is a public limited Company domiciled in India and incorporated on April 30, 2008 under the provisions of the Companies Act, 1956 having its registered office at 24/19 Pan Parag House, The Mall, Kanpur, Uttar Pradesh.

The company is engaged in the business of Domestic and International Trade.

### **SIGNIFICANT ACCOUNTING POLICIES:**

#### **STATEMENT OF COMPLIANCE**

This note provides a list of the significant accounting policies adopted in the preparation of these Indian Accounting Standards (Ind-AS) financial statements. These policies have been consistently applied to all the years except where newly issued accounting standard is initially adopted.

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31 March, 2023, the Statement of Profit and Loss for the year ended 31 March 2023, the Statement of Cash Flows for the year ended 31 March 2023 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Financial Statements' or 'financial statements').

#### **AUTHORISATION OF FINANCIAL STATEMENTS:**

These financial statements are approved for issue by the Board of Directors on 22 May 2023.

#### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

##### **A Statement of Compliance**

a. The Financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provisions of the Act.

##### **b. Historical Cost Convention**

The Financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain Financial assets and liabilities that is measured at fair value
- ii) Defined benefit plans-plan assets measured at fair value

##### **B Current vs. Non-Current classification:**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

##### **(a) An asset is treated as current when it is:**

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for purpose of trading
- Expected to be realized within twelve months after the reporting period.
- the cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

##### **(b) A liability is current when:**

- It is expected to be settled in normal operating cycle
- It is held primarily for purpose of trading
- It is due to be settled within twelve months after the reporting period, or



- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non-current on net basis.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its general operating cycle.

The Financial Statements have been presented in Indian Rupees (INR), which is the company's functional currency. All financial information presented in INR has been rounded off to the nearest lakh unless otherwise stated.

#### **Use Of Estimates:**

The preparation of Financial statements in conformity with Indian Accounting Standards (Ind AS) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of Financial statements and reported amounts of income and expenses during the period. Differences between actual results and estimates are recognised in the year in which the results are known or materialise.

This note provides an overview of the areas where there is a higher degree of judgment or complexity. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation.

#### **The areas involving critical estimates or judgments include:**

Fair Value of unlisted equity securities  
Defined Benefit Obligation  
Measurement of contingent liabilities  
Current tax expense and current tax payable  
Deferred tax assets for carried forward tax losses

### **1.2 PROPERTY, PLANT AND EQUIPMENT (PPE)**

- Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes, if any), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- An item of Property, plant and equipment and any significant part initially recognised separately as part of Property, plant and equipment is de-recognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets is included in the Statement of Profit and Loss.
- The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each Financial year end and adjusted prospectively, if appropriate.
- Depreciation on property, plant and equipment is provided on straight-line method using the useful lives of the assets estimated by the management and in the manner prescribed in Schedule II to the Companies Act 2013. The asset wise details of useful lives considered for purposes of calculating depreciation are as under:

Office Building	- 30 years	Vehicles	- 8 years
Furniture	- 10 years	Computers	- 6 years





Office equipment	- 5 years	Computer Software	- 2 years
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- (vii) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

### 1.3 INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### 1.4 IMPAIRMENT

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Goodwill and intangible assets that do not have definite useful life are not amortised and are tested at least annually for impairment. If events or changes in circumstances indicate that they might be impaired, they are tested for impairment once again.

### 1.5 INVESTMENT PROPERTY

Investment Property is property (land or a building – or part of a building – or both) held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, used in production or supply of goods or services or for administrative purposes. Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and carrying amount of the Investment Property shall be recognized in Statement of Profit and Loss.

Depreciation on Investment Property is provided on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life considered in respect of Building is 60 years and amortization of long term leasehold property classified as Investment Property is based on the balance lease term.

### 1.6 LEASE ACCOUNTING:

#### LEASE CONTRACTS WHERE THE COMPANY IS A LESSEE

- (i) All the lease agreements of the Company, where the company is a Lessee are in the nature of short term leases or are low value leases and are in respect of premises used as staff residences, business premises or Godowns.
- (ii) The company has therefore elected to avail the exemption from paras 22-49 of Ind-AS 116 and accounted for the lease payments as per para 6 of the said Ind-AS. Accordingly the entire lease



payments associated with these leases have been recognised as an expense on a straight-line basis over the lease term or another systematic basis.

#### LEASE CONTRACTS WHERE THE COMPANY IS A LESSOR

- (i) All lease agreements where the Company is a Lessor are in the nature of 'operating leases'.
- (ii) All the lease income from operating leases are recognized in the statement of Profit and loss account on a systematic basis.
- (iii) The costs, including depreciation, incurred in earning the lease income have been recognized as expenses under the respective expense heads in the Statement of Profit and Loss.

#### **1.7 INVENTORIES:**

##### **Stock in Trade- Traded Goods**

Stock in Trade consists of goods traded by the company.

- (i) Basis of Valuation: Inventories are stated at lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-to-item basis.
- (ii) Method of Valuation- Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.

#### **1.8 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES:**

A Subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following; (i) Power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

An Associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Company's investments in its Subsidiaries and Associate are accounted at cost.

#### **1.9 TRANSACTIONS IN FOREIGN CURRENCY:**

##### **a) Functional and presentation currency**

The Company's financial statements are prepared in INR, which is also the Company's functional and presentation currency.

##### **b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

In case of advance payment for purchase of assets/goods/services and advance receipt against sales of products/ services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).



**Non-monetary items :**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**1.10 REVENUE RECOGNITION:**

The Company derives revenues primarily from sale of products and services. Revenue from sale of goods is recognised net of returns and discounts.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

To recognise revenues, the Company applies the following five step approach:

- a) Identify the contract with a customer;
- b) Identify the performance obligations in the contract;
- c) Determine the transaction price;
- d) Allocate the transaction price to the performance obligations in the contract; and
- e) Recognize revenues when a performance obligation is satisfied.

**Based on above principle :-**

- Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of GST and are net of returns.
- Dividend income is recognised when the right to receive payment is established.
- Interest Income is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income".
- Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other operating income in the statement of profit or loss due to its operating nature.

**1.11 EMPLOYEE RETIREMENT BENEFITS:****Short term employee benefits**

All employee benefits payable/available within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognized in the Statement of profit and Loss in the period in which the employee renders the related service.

**Provident fund**

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Company contributes a part of the contributions to the Government administered Provident/Pension Fund. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through the provident fund scheme as an expense, when an employee renders related services.

**Other long term employee benefits**

The Company is providing the liability of gratuity on the basis of actuarial valuation report obtained from an independent valuers on the basis of following factors:-

- a) Valuation Method: Projected Unit Credit (PUC)
- b) Accounting Standard: Indian Accounting Standard (IND AS) 19
- c) Discount Rate: 7.5% Per Annum
- d) Salary Growth Rate: 5.0% Per Annum
- e) Mortality: IALM 2012-14





f) Withdrawl Rate: 5.0% Per Annum

## 1.12 FINANCIAL INSTRUMENTS :

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

### Initial Recognition and Measurement – Financial Assets and Financial Liabilities

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

### Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through Other Comprehensive Income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

#### Amortised Cost

A financial asset is classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### FVTOCI

A financial asset is classified and measured at FVTOCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### FVTPL

A financial asset is classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### **Classification and Subsequent measurement:**

**Financial Liabilities** The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### **Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or losses on financial liabilities held for trading are recognised in the Statement of Profit and Loss.

#### **Other Financial Liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Derecognition of Financial Assets and Financial Liabilities**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

### **1.13 TAXES ON INCOME:**

#### **Current Tax**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**



Deferred tax is provided using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit Corporate overview statutory reports Financial Statements and Loss. Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at Balance Sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

#### **1.14 PROVISIONS & CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses, if any.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

**Contingent liabilities are disclosed in the case of :**

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

#### **1.15 EARNING PER SHARE:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding





during the period are adjusted for the effects of all dilutive potential equity shares.

#### **1.16 DIVIDEND:**

Dividend is recognised as liability in the period in which it is declared by the Company, usually when approved by the shareholders in a general meeting, or paid.

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognised directly in equity.

The annual dividend proposed, if any, by the Directors forms part of the Directors' Report.

#### **1.17 BORROWING COSTS:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **1.18 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

For the purpose of statement of cash flow, cash and cash equivalents consist of cash, short-term deposits as defined above, bank overdrafts and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value as they are considered as an integral part of the Company's management.

#### **1.19 SHARE CAPITAL**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares are recognized as a deduction from equity, net of any tax effects.

#### **1.20 GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES:**

Government Grants are recognised at their realizable value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.



**Note:2**

The changes in the carrying value of property, plant and equipment for the year ended 31 March, 2023 are as follows:

PARTICULARS	Motor Cars	Office Equipment	Computers	Amount (Rs. in Lacs)	
					TOTAL
Gross carrying value as of April 1, 2021	17	#	2		19
Additions	-	-	-		-
Deletions/Transfer	3	-	-		3
Gross carrying value as of March 31, 2022	14	#	2		16
Additions	-	-	-		-
Deletions/Transfer	13	-	-		13
Gross carrying value as of March 31, 2023	1	#	2		3
Accumulated Depreciation as of April 1, 2021					
Depreciation for the Period	14	#	2		16
Deduction / adjustments during the period	-	-	-		-
Accumulated Depreciation as of March 31, 2022	1	-	-		1
Depreciation for the Period	13	#	2		15
Deduction / adjustments during the period	-	-	-		-
Accumulated Depreciation as of March 31, 2023	12	-	-		12
Carrying value as of March 31, 2023	1	#	2		3
Carrying value as of March 31, 2022	#	#	#		#
	1	#	#		1



Note:3

Investment Property

PARTICULARS	Amount (Rs.in Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
<u>Gross Amount</u>		
Opening		
Depreciable Investment Property	-	-
Other Investment Property	2,121	2,210
Additions (Depreciable)	-	-
Additions (Non Depreciable)	-	-
Deletion/ Transfer (Non Depreciable)	67	89
Closing	2,054	2,121
<u>Accumulated Depreciation</u>		
Opening	-	-
For the year	-	-
Closing	-	-
<u>Net Carrying Amount</u>	2,054	2,121
<u>Fair Market Value</u>	2,116	2,100





PARTICULARS	QUANTITY (NOS.)		AMOUNT (Rs. In Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022	AS AT 31.03.2023	AS AT 31.03.2022
Note:4 Investment (Non Current)				
Trade -Others (Measured at cost)				
Series A Zero Coupon, Unsecured, Optionally Convertible Debentures Of Rs.10,00,000/- Each (Amount Paid Up Per Debenture Rs.5,00,000/- Each) of M/s Aviva Homes Private Limited	500	-	3000	-
Advance Loan Money for Series A zero Coupon, Unsecured, Optionally Convertible Debentures Of Rs.10,00,000/- Each of M/s Aviva Homes Private Limited	-	-	210	-
			3210	-

Particulars	As at 31st March 2023	As at 31st March 2022
Note:5 Other Financial Assets ( Non Current)		
Receivables Considered Good-Unsecured		
Bank Deposits with more than twelve months maturity (including interest accrued but not due)	543	5566
Taxes Paid ( Net of provisions)	23	48
TOTAL	566	5614

Particulars	As at 31st March 2023	As at 31st March 2022
Note:6 Deferred Tax Assets (Net)		
Property, Plant and Equipment	#	1
Difference in Carrying value and Tax base of investment measured at FVTPL	(4)	(4)
MAT Credit Entitlements	28	125
TOTAL	24	122

Particulars	As at 31st March 2023	As at 31st March 2022
Note:7 Inventories - (At cost on FIFO basis or net realisable Value whichever is lower, as certified by the management)		
Trading Items	192	-
TOTAL	192	-

PARTICULARS	QUANTITY (NOS.)		AMOUNT (Rs. In Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022	AS AT 31.03.2023	AS AT 31.03.2022
Note:8 Investments (Current)				
(Measured at FVTPL)				
(A) Mutual Funds				
I.Units, each, fully paid up				
Canara Robeco Banking and PSU Debt Fund- Regular Growth Plan (BPGP) of Rs.10/-	1195735.786	-	123	-
Canara Robeco Short Duration Fund- Regular Growth (CYGP) of Rs.10/-	548715.444	548715.444	119	115
Aggregate Amount- market value of Quoted Investments.				
		TOTAL	242	115



Particulars		As at 31st March 2023	As at 31st March 2022
Note-9	Trade Receivables (Current)		
	Unsecured Considered Good	23555	69579
TOTAL		23555	69579

No amount is due from any of the directors or officers of the Company, severally or jointly with any other person; or from firms where such director is a partner or from private companies where such director is a member.

Age of receivables as on 31.03.2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years
i) Undisputed - Considered Good	43	26	21928	1554	4
ii) Undisputed - Significant increase in Credit Risk	-	-	-	-	-
iii) Undisputed - Credit Impaired	-	-	-	-	-
iv) Disputed - Considered Good	-	-	-	-	-
v) Disputed - Significant increase in Credit Risk	-	-	-	-	-
vi) Disputed - Credit Impaired	-	-	-	-	-
Total	43	26	21928	1554	4
Less: Provision for Impairment					
Add: Unbilled Trade Receivables					
Total					23555

\* Company is in receipt of written confirmation from customers that they will pay entire outstanding amount within 6 months from the date of Balance Sheet.

Age of receivables as on 31.03.2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years
i) Undisputed - Considered Good	35296	32725	1554	4	-
ii) Undisputed - Significant increase in Credit Risk	-	-	-	-	-
iii) Undisputed - Credit Impaired	-	-	-	-	-
iv) Disputed - Considered Good	-	-	-	-	-
v) Disputed - Significant increase in Credit Risk	-	-	-	-	-
vi) Disputed - Credit Impaired	-	-	-	-	-
Total	35296	32725	1554	4	-
Less: Provision for Impairment					
Add: Unbilled Trade Receivables					
Total					69579



Particulars		As at 31st March 2023	As at 31st March 2022
Note:10	<b>Cash &amp; Cash Equivalent</b>		
	<b>Cash &amp; Bank Balances:</b>		
	(a) Cash in hand	6	6
	(b) Balances with Scheduled Banks		
	- In Current Accounts	426	1527
	- Bank Deposits with original maturity of less than three months (Including interest accrued but not due)	380	602
	<b>TOTAL</b>	<b>812</b>	<b>2135</b>

Particulars		As at 31st March 2023	As at 31st March 2022
Note:11	<b>Bank Balances other than Cash and Cash Equivalent</b>		
	<b>-Balances with Scheduled Banks</b>		
	Bank Deposits with original maturity for more than three months but less than twelve months (Including interest accrued but not due)	987	5593
	<b>TOTAL</b>	<b>987</b>	<b>5593</b>

Particulars		As at 31st March 2023	As at 31st March 2022
Note:12	<b>Loans (Current)</b>		
	<b>Considered Good-Unsecured</b>		
	Inter Corporate Deposit	11045	748
	<b>TOTAL</b>	<b>11045</b>	<b>748</b>

Particulars		As at 31st March 2023	As at 31st March 2022
Note:13	<b>Other Financial Assets (Current)</b>		
	<b>Unsecured Considered Good</b>		
	Bank Deposits with more than twelve months maturity (Including interest accrued but not due)	2514	864
	<b>Other Loans &amp; Advances</b>		
	-Advance recoverable in cash or in kind or for value to be received or pending adjustments	502	2614
	<b>TOTAL</b>	<b>3016</b>	<b>3478</b>

Particulars		As at 31st March 2023	As at 31st March 2022
Note:14	<b>Current Tax Assets (Net)</b>		
	Advance Income Tax and Tax Deducted at Source	136	176
	Less: Provision for Tax	78	125
	<b>TOTAL</b>	<b>58</b>	<b>51</b>

Particulars		As at 31 March 2023	As at 31 March 2022
Note:15	<b>Other Current Assets</b>		
	Advance to Supplier	872	872
	Advance to Employees	14	4
	<b>Balance with Government Authorities</b>		
	GST Receivable	55	12
	Others		1
	<b>TOTAL</b>	<b>941</b>	<b>889</b>





Particulars		As at 31st March 2023	As at 31st March 2022
Note:16	<b>SHARE CAPITAL</b>		
	<b>AUTHORISED :</b>		
	10000000 Equity Shares of Rs.10/- each	1000	1000
	<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
	6000000 Equity Shares of Rs.10/- each fully paid up	600	600
	<b>TOTAL</b>	600	600
The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/- Each Holder of equity share is entitled to one vote per share in the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.			

16.1 Reconciliation of the number of shares outstanding at the beginning and at the end of reporting period		As at 31 March, 2023		As at 31 March, 2022	
		Number of shares		Number of shares	
At the beginning of the year		6000000		6000000	
Outstanding at the end of the year		6000000		6000000	

16.2 Details of shares held by shareholders holding more than 5% shares in the Company		As at 31 March, 2023		As at 31 March, 2022	
Name of shareholders		Number of shares held	holding %	Number of shares held	holding %
M/s Kothari Products Limited		6000000	100.00%	6000000	100.00%

16.3 Details of shares held by the holding company		As at 31 March, 2023		As at 31 March, 2022	
		Number of Equity shares of Rs.10/- each fully paid up		Number of Equity shares of Rs.10/- each fully paid up	
As at 31st March, 2023					
Kothari Products Limited, the holding company				6000000	
As at 31st March, 2022					
Kothari Products Limited, the holding company				6000000	

16.4 (a) Details of shares held by promoters / promoter group as at March 31, 2022		As at 31 March, 2023		As at 31 March, 2022	
		Number of shares held	holding %	Number of shares held	% change during the year
Name of shareholders					
M/s Kothari Products Limited		6000000	100.00%	6000000	-

16.4 (b) Details of shares held by promoters / promoter group as at March 31, 2021		As at 31 March, 2023		As at 31 March, 2021	
		Number of shares held	holding %	Number of shares held	% change during the year
Name of shareholders					
M/s Kothari Products Limited		6000000	100.00%	6000000	-



Particulars		As at 31st March 2023	As at 31st March 2022
Note:17	<b>Other Equity:</b>		
	(a) Securities premium account	10000	10000
	(b) Debenture Redemption Reserve	1880	5392
	(c) Retained Earnings	7429	3707
	<b>Total</b>	<b>19309</b>	<b>19099</b>

Particulars		As at 31st March 2023	As at 31st March 2022
Note:18	<b>Financial Liabilities</b>		
	<b>Long Term Borrowings</b>		
	<b>Unsecured</b>		
	Nil (As on 31 March 2022-516600) 1% Optionally Convertible Debentures of Rs.1000/- each*		5166
	752000 (As on 31 March 2022-1640000) 6% Optionally Convertible Debentures of Rs.1000/- each*	7520	16400
	<b>TOTAL</b>	<b>7520</b>	<b>21566</b>

**\* Terms & conditions of Debentures Issued**

**Nil (As on 31 March 2022-516600) 1% Optionally Convertible Debentures of Rs.1000/- each**

- 1- The conversion shall take place between the end of 3rd year and end of 5th year from the date of Debenture issue.
- 2- Conversion of the Debentures to Shares shall be at the fair value and at the option of Debenture holders.
- 3- Interest shall be paid at the rate of 1% per annum calculated from the date of allotment of the Debentures. Such interest shall be paid on annual/prorata basis. 1st payment shall be made up to the year ending 31st March, 2019 from the date of issue and thereafter at the end of every financial year.
- 4- The Debentures can be redeemed after the expiry of the 3rd year from the date of issue of Debenture at the option of the Debenture holders.
- 5- The Debentures shall be transferable to individuals and companies and subject to the provisions of the Companies Act, 2013 and Memorandum and Articles of Association of the Company.

**752000 (As on 31 March 2022-1640000) 6% Optionally Convertible Debentures of Rs.1000/- each**

- 1- The conversion of Debentures into Shares may take place between the end of 3rd year and before the end of 5th year from the date of Debenture issue at the option of Debenture holders.
- 2- Conversion of the Debentures into Shares shall be at the fair value to be fixed by an Independent Chartered Accountant.
- 3- Interest shall be paid at the rate of 6% per annum calculated from the date of allotment till redemption of the Debentures, if not converted into shares. Such interest shall be paid on annual/prorata basis.
- 4- These terms may be mutually changed with the consents of the parties.
- 5- The Debentures can be redeemed after the expiry of the 3rd year and before the end of the 5th year from the date of issue of Debentures at the option of the Debenture holders. If the debenture holders do not exercise the aforesaid option then company will redeem the debentures on the expiry of 5 years from the date of their allotment.
- 6- The Debentures shall be transferable to individuals and companies and subject to the provisions of the Companies Act, 2013 and Memorandum and Articles of Association of the Company.

Particulars		As at 31st March 2023	As at 31st March 2022
Note:19	<b>Provisions</b>		
	Gratuity Payable	1	-
	<b>TOTAL</b>	<b>1</b>	<b>-</b>

Particulars		As at 31st March 2023	As at 31st March 2022
Note:20	<b>Borrowings</b>		
(a)	<b>Secured:</b>		
	Overdraft against TDRs from Nationalised Banks	1945	100
		<b>1945</b>	<b>100</b>
(b)	<b>Unsecured</b>		
	From Holding Company	9682	16288
	Inter Corporate Deposit	6628	2281
	From Directors	817	123
		<b>17127</b>	<b>18592</b>
	<b>TOTAL</b>	<b>19072</b>	<b>18792</b>

Particulars		As at 31st March 2023	As at 31st March 2022
Note:21	<b>Provisions</b>		
	Gratuity Payable	#	-
	<b>TOTAL</b>	<b>#</b>	<b>-</b>



Particulars		As at 31st March 2023	As at 31st March 2022
<b>Note:22</b>	<b>Trade Payables</b>		
22.1	(a) Total Outstanding Dues of Creditors Micro & Small Enterprises		
22.2	(b) Total Outstanding Dues of Creditors Other than Micro & Small Enterprises	40	30153
	<b>TOTAL</b>	<b>40</b>	<b>30153</b>

There is no amount due to Micro Enterprises and Small Enterprises, based on the records and the information received from suppliers.

**Age of Trade Payables as on 31.03.2023**

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years
i) Micro Enterprises & Small Enterprises				
ii) Others	7	33		40
iii) Disputed Dues - Micro Enterprises & Small Enterprises				
iv) Disputed Dues - Others				
<b>Total</b>	<b>7</b>	<b>33</b>		<b>40</b>
<b>Add: Unbilled Trade Payables ( Others )</b>				
<b>Total</b>				<b>40</b>

**Age of Trade Payables as on 31.03.2022**

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 year	1 year to 2 years	2 years to 3 years	More than 3 years
i) Micro Enterprises & Small Enterprises				
ii) Others	30152			1
iii) Disputed Dues - Micro Enterprises & Small Enterprises				
iv) Disputed Dues - Others				
<b>Total</b>	<b>30152</b>			<b>30153</b>
<b>Add: Unbilled Trade Payables ( Others )</b>				
<b>Total</b>				<b>30153</b>





Particulars		As at 31st March 2023	As at 31st March 2022
Note:23	<b>Other Current Liabilities</b>		
	Advance Received Against Order	-	1
	Statutory Liabilities	155	75
	Outstanding Liabilities	5	160
	<b>TOTAL</b>	<b>160</b>	<b>236</b>

Particulars		Year Ended 31st-March 2023	Year Ended 31st-March 2022
Note:24	<b>Revenue from Operations</b>		
	(a) Sales of Traded Goods	37417	124389
	(b) Other Operating Revenues:		
	(i) Rent Received	31	30
	<b>TOTAL</b>	<b>37448</b>	<b>124419</b>

Note:24.1 Revenue from Contracts with Customers:			
I. Revenue from contracts with customers disaggregated based on geography:			
Particulars		Year Ended 31st-March 2023	Year Ended 31st-March 2022
Home Market		636	28722
Exports		36811	95697
<b>TOTAL</b>		<b>37448</b>	<b>124419</b>
II. Reconciliation of gross revenue with the revenue from contracts with customers:			
Particulars		Year Ended 31st-March 2023	Year Ended 31st-March 2022
Gross Revenue		37448	124419
Less: Discounts and Incentives		-	-
<b>Net Revenue recognised from contracts with customers</b>		<b>37448</b>	<b>124419</b>
III. Revenue recognised from contract liability (Advance from customers):			
Particulars		As at 31 March 2023	As at 31 March 2022
Closing Contract liability		-	1
<b>Net Revenue recognised from contracts with customers</b>		<b>-</b>	<b>1</b>
The contract liability outstanding at the beginning of the year was Rs.1 Lac which recognised as sale of a Investment Property during the year ended March 31, 2023.			

Particulars		Year Ended 31st-March 2023	Year Ended 31st-March 2022
Note:25	<b>Other Income</b>		
	(a) Net Gain on Investments	7	4
	(b) Net Profit on Foreign Currency Transactions and Translation	1385	692
	(c) Interest Earned on Bank Deposits held for Business Purposes & Others	507	541
	(d) Income From Interest on Loans and Advances	523	17
	(e) Interest Received on Income Tax Refund	2	8
	(f) Miscellaneous Income	1	4
	<b>TOTAL</b>	<b>2425</b>	<b>1266</b>

Particulars		Year Ended 31st-March 2023	Year Ended 31st-March 2022
Note:26	<b>Purchases of Stock-in-Trade</b>		
	Purchases of Traded Goods	37346	123536
	<b>TOTAL</b>	<b>37346</b>	<b>123536</b>

Particulars		Year Ended 31st-March 2023	Year Ended 31st-March 2022
Note:27	<b>Increase (-) / Decrease (+) in inventories of Stock-in-trade</b>		
	Opening Stock:		
	Trading Items	-	-
	Closing Stock:		
	Trading Items	192	-
		192	-
		(192)	-



Particulars		Year Ended 31st-March 2023	Year Ended 31st-March 2022
Note:28	<b>Employee Benefit Expenses</b>		
	Salaries, Wages and Bonus	53	37
	Gratuity	2	-
	<b>TOTAL</b>	<b>55</b>	<b>37</b>

Particulars		Year Ended 31st-March 2023	Year Ended 31st-March 2022
Note:29	<b>Finance Cost</b>		
	Interest Cost	1821	848
	Bank Charges	188	386
	<b>TOTAL</b>	<b>2009</b>	<b>1234</b>

Particulars		Year Ended 31st-March 2023	Year Ended 31st-March 2022
Note:30	<b>Other Expenses</b>		
	Marine Insurance	6	9
	Rent	14	14
	Loss on sale of fixed Assets	18	34
	Rates & Taxes	7	#
	Legal and Professional Expenses	33	43
	Communication Expenses	#	#
	Repairs & Maintenance	5	-
	Miscellaneous Expenses	99	26
	Travelling & Conveyance	3	1
	Statutory Audit Fee	1	1
	<b>TOTAL</b>	<b>186</b>	<b>128</b>

Particulars		Year Ended 31st-March 2023	Year Ended 31st-March 2022
Note:31	<b>Contingent Liabilities:-</b>		
	Corporate Guarantees issued by the Company	NIL	NIL



Note 32	<div> <div> <div>Financial Risk Management</div> <div> <p>The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The details of different types of risk and management policy to address these risks are listed below.</p> <p>The Company's activities are exposed to various risks viz. Credit risk, liquidity risk and Market risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set by the Board of Directors / Management.</p> <p><b>Credit Risk :</b> Credit risk arises from the possibility that counter party will cause financial loss to the Company by failing to discharge its obligation as agreed.</p> <p>Credit risks from balances with banks are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to enter the credit risk by only dealing with reputable banks having high credit ratings assigned by credit rating agencies.</p> <p>Based on the industry practices and business environment in which the Company operates, management considers that the trade receivables are in default if the payment is more than 2 years past due.</p> <p>Trade receivables primarily consists of Outstanding against exports sales and sales to certain domestic customers with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.</p> <p>Table showing age of gross trade receivables and movement in expected credit loss allowance:</p> <table> <tr> <th>Age of receivables</th> <th>As at 31 March 2023</th> <th>As at 31 March 2022</th> </tr> <tr> <td>Within the credit period</td> <td></td> <td></td> </tr> <tr> <td>1-90 days past due</td> <td>27</td> <td>25502</td> </tr> <tr> <td>91-180 days past due</td> <td>43</td> <td>9764</td> </tr> <tr> <td>181-270 days past due</td> <td>4</td> <td>12953</td> </tr> <tr> <td>More than 270 days past due</td> <td>23485</td> <td>22230</td> </tr> <tr> <td>Total</td> <td>23557</td> <td>69379</td> </tr> </table> <p><b>Movement in the expected credit allowance</b></p> <table> <tr> <th></th> <th>As at 31 March 2023</th> <th>As at 31 March 2022</th> </tr> <tr> <td>Balance at the beginning of the year</td> <td>-</td> <td>-</td> </tr> <tr> <td>Net movement in expected credit loss on writing off the receivables</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>-</td> <td>-</td> </tr> </table> <p>The Company is taking adequate steps for recovery of overdue debts and advances and wherever necessary, adequate provisions as per expected credit loss model have been made.</p> <p><b>Liquidity Risk</b> Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company liquidity risk management policies include to, at all times, ensure sufficient liquidity to meet its liabilities when they are due, by maintaining adequate sources of financing from both domestic and international banks at an optimized cost. In addition, processes and policies related to such risks are overseen by senior management. The Company's senior management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.</p> <p><b>Maturity of Financial Liabilities</b> The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.</p> <table> <tr> <th></th> <th>&lt; 1 Year</th> <th>1 - 5 year</th> <th>&gt; 5 year</th> <th>Total</th> </tr> <tr> <td><b>As at 31 March 2023</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Borrowings</td> <td>15072</td> <td>7,620</td> <td>-</td> <td>22692</td> </tr> <tr> <td>Trade Payables</td> <td>40</td> <td>-</td> <td>-</td> <td>40</td> </tr> <tr> <td>Other Financial Liabilities</td> <td>1</td> <td>-</td> <td>-</td> <td>1</td> </tr> <tr> <td><b>As at 31 March 2022</b></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Borrowings</td> <td>13787</td> <td>21,566</td> <td>-</td> <td>35353</td> </tr> <tr> <td>Trade Payables</td> <td>30153</td> <td>-</td> <td>-</td> <td>30153</td> </tr> <tr> <td>Other Financial Liabilities</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </table> <p><b>Financing arrangements</b> The Company has sufficient sanctioned line of credit from its bankers / financiers commensurate to its business requirements. The Company reviews its line of credit available with bankers and lenders from time to time to ensure that at all point of time there is sufficient availability of line of credit to handle peak business cycle.</p> <p>The Company pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories.</p> <p><b>Market Risk</b> Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed in the ordinary course of business to risks related to changes in foreign currency exchange rate and interest rate.</p> <p><b>Market Risk – Foreign Exchange</b> Foreign exchange risk arises on all recognised monetary assets and liabilities which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables and receivables. However, foreign exchange exposure mainly arises from trade receivable and trade payables denominated in foreign currencies.</p> <p>Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and a portion of its business is transacted in several currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Company hedges the receivables as well as payables by foreign view after discussion with Forex Consultant and as per policy set by Management.</p> <p>The Company does not enter into or trade financial instrument including derivative for speculative purpose.</p> <p>The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:</p> <table> <tr> <th rowspan="2">Currencies</th> <th colspan="4">Amount (Rs. in Lacs)</th> </tr> <tr> <th colspan="2">Liabilities</th> <th colspan="2">Assets</th> </tr> <tr> <th></th> <th>As at 31st March 2023</th> <th>As at 31st March 2022</th> <th>As at 31st March 2023</th> <th>As at 31st March 2022</th> </tr> <tr> <td>US Dollar (USD)</td> <td>-</td> <td>30118</td> <td>-</td> <td>45924</td> </tr> </table> <p><b>Foreign Currency Exposure</b></p> <table> <tr> <th></th> <th>(In Lacs)</th> </tr> <tr> <td><b>Foreign currency exposure as at March 31, 2023</b></td> <td>USD</td> </tr> <tr> <td>Trade receivables</td> <td>-</td> </tr> <tr> <td>Trade payables</td> <td>-</td> </tr> <tr> <td><b>Foreign currency exposure as at March 31, 2022</b></td> <td>USD</td> </tr> <tr> <td>Trade receivables</td> <td>610</td> </tr> <tr> <td>Trade payables</td> <td>396</td> </tr> </table> <p><b>Particulars of un-hedged foreign currency asset / liability as at Balance Sheet date</b></p> <table> <tr> <th rowspan="2">Currency</th> <th colspan="2">As at March 31, 2023</th> <th colspan="2">As at March 31, 2022</th> </tr> <tr> <th>Amount in Foreign Currency (In Lacs)</th> <th>Amount (Rs. in Lacs)</th> <th>Amount in Foreign Currency (In Lacs)</th> <th>Amount (Rs. in Lacs)</th> </tr> <tr> <td>US Dollar (USD)-Asset</td> <td>-</td> <td>-</td> <td>610</td> <td>45924</td> </tr> <tr> <td>US Dollar (USD)-Liability</td> <td>-</td> <td>-</td> <td>396</td> <td>30118</td> </tr> </table> <p><b>Foreign currency sensitivity</b> 1% increase or decrease in foreign exchange rates will have the following impact on Profit after Tax and impact on Equity</p> <table> <tr> <th rowspan="2">Currencies</th> <th colspan="4">Amount (Rs. in Lacs)</th> </tr> <tr> <th colspan="4">Net Impact on profit after Tax and Equity</th> </tr> <tr> <th></th> <th>As at 31st March 2023</th> <th>As at 31st March 2022</th> <th>As at 31st March 2023</th> <th>As at 31st March 2022</th> </tr> <tr> <th></th> <th>Increase</th> <th>Increase</th> <th>Decrease</th> <th>Decrease</th> </tr> <tr> <td>US Dollar (USD)</td> <td>-</td> <td>158</td> <td>-</td> <td>(158)</td> </tr> <tr> <td>Total</td> <td>-</td> <td>158</td> <td>-</td> <td>(158)</td> </tr> </table> </div> </div></div>	Age of receivables	As at 31 March 2023	As at 31 March 2022	Within the credit period			1-90 days past due	27	25502	91-180 days past due	43	9764	181-270 days past due	4	12953	More than 270 days past due	23485	22230	Total	23557	69379		As at 31 March 2023	As at 31 March 2022	Balance at the beginning of the year	-	-	Net movement in expected credit loss on writing off the receivables	-	-	Total	-	-		< 1 Year	1 - 5 year	> 5 year	Total	<b>As at 31 March 2023</b>					Borrowings	15072	7,620	-	22692	Trade Payables	40	-	-	40	Other Financial Liabilities	1	-	-	1	<b>As at 31 March 2022</b>					Borrowings	13787	21,566	-	35353	Trade Payables	30153	-	-	30153	Other Financial Liabilities	-	-	-	-	Currencies	Amount (Rs. in Lacs)				Liabilities		Assets			As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022	US Dollar (USD)	-	30118	-	45924		(In Lacs)	<b>Foreign currency exposure as at March 31, 2023</b>	USD	Trade receivables	-	Trade payables	-	<b>Foreign currency exposure as at March 31, 2022</b>	USD	Trade receivables	610	Trade payables	396	Currency	As at March 31, 2023		As at March 31, 2022		Amount in Foreign Currency (In Lacs)	Amount (Rs. in Lacs)	Amount in Foreign Currency (In Lacs)	Amount (Rs. in Lacs)	US Dollar (USD)-Asset	-	-	610	45924	US Dollar (USD)-Liability	-	-	396	30118	Currencies	Amount (Rs. in Lacs)				Net Impact on profit after Tax and Equity					As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022		Increase	Increase	Decrease	Decrease	US Dollar (USD)	-	158	-	(158)	Total	-	158	-	(158)
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Note-33

### Financial Instruments

#### Methods and assumptions used to estimate the fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

In respect of investments in listed equity instruments and mutual fund, the fair values represents available quoted market price or net realisable value at the Balance Sheet date.

The carrying amounts of receivables and payables which are short term in nature such as trade receivables, deposits, other bank balances, other financial assets and liabilities are considered to be the same as their fair values. Further, management also assessed the carrying amount of certain non-current loans which are a reasonable approximation of their fair values and the difference between the carrying amounts and fair values is not expected to be significant.

The fair values for long term loans, long term security deposits given and remaining non-current financial assets were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs.

The fair values of long term security deposits taken, non-current borrowings and remaining non-current financial liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

#### Categories of financial instruments

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: inputs which are not based on observable market data

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying values	Fair value	Carrying values	Fair value
<b>Financial assets</b>				
Measured at amortised cost:				
Investment in debentures of Other Companies	3210	3210	-	-
Trade receivables	23555	23555	69579	69579
Cash and Bank balances	1799	1799	7728	7728
Loans	11045	11045	748	748
Other financial assets	3582	3582	9092	9092
<b>Total (A)</b>	<b>43191</b>	<b>43191</b>	<b>87147</b>	<b>87147</b>
Measured at fair value through profit or loss				
Investment in Mutual Funds	242	242	115	115
<b>Total (B)</b>	<b>242</b>	<b>242</b>	<b>115</b>	<b>115</b>
<b>Total Financial assets (A+B)</b>	<b>43433</b>	<b>43433</b>	<b>87262</b>	<b>87262</b>
<b>Financial liabilities</b>				
Measured at amortised cost:				
Borrowing#	26592	26592	40358	40358
Trade payables	40	40	30153	30153
Other financial liabilities	1	1	-	-
<b>Total Financial liabilities</b>	<b>26633</b>	<b>26633</b>	<b>70511</b>	<b>70511</b>

# includes current maturities of long term debts

Note-34

In terms of Ind AS 36 "Impairment of Assets", provision for impairment loss on assets for the year is not required.

Note-35

In terms of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", there has been no Provision on beginning and at the end of the year. Therefore no disclosure requirements.

CHARTERED ACCOUNTANTS  
M. K. V. CHOPRA & CO.  
CHARTERED ACCOUNTANTS

<b>Note-36</b>	
<b>RELATED PARTIES</b> (IND AS- 24)	
Reporting Entity	KPL Exports Limited
(a) Person having control/ significant influence over RE or member of KMP	
Members of KMP of RE	Mr. Deepak Kothari Mr. Mitesh Kothari
(b) Entity is related to reporting entity	
Holding Company	Kothari Products Limited
(c) Person identified in (a) are able to exercise control/significant influence	
Ambakeswar Realtors Pvt. Ltd. BKC Properties Pvt. Ltd. Black-plish Realtors Pvt. Ltd. Camelia Griha Nirman Pvt. Ltd. Dnam Securities Pvt. Ltd. DK Web-Tech Pvt. Ltd. Ekta Flavours Pvt. Ltd. Fobos Properties Pvt. Ltd. H & M Housing Finance & Leasing Pvt. Ltd. Kothari Detergents Ltd. Lohewala Constructions Pvt. Ltd. MK Profitlease Pvt. Ltd. Nine Two Seven Nine Work Avenue Pvt. Ltd. Orbis Property Pvt. Ltd. Pan Parag India Ltd. Salarpura Consultants Pvt. Ltd. Sequence Properties Pvt. Ltd. Scaffold properties Pvt. Ltd. Supraja Properties Pvt. Ltd. Venkatesh Griha Nirman Pvt. Ltd. Township Real Estate Developers Pvt. Ltd. Yoga builders Pvt. Ltd.	

**Summary of Transactions:-**

Particulars	Current Year (01.04.2022 to 31.03.2023)			Previous Year (01.04.2021 to 31.03.2022)		
	KMP	Holding Company	Enterprises over which Managerial Personnel are able to exercise significant influence Companies	KMP	Holding Company	Enterprises over which Managerial Personnel are able to exercise significant influence Companies
<b>1) Rent paid</b>						
M/s BRC Properties Pvt. Ltd.		1	#		1	#
M/s Kothari Products Ltd.		1	#		1	#
<b>2) Loans Payable:-</b>						
<b>(A) Loan Received During the year</b>						
Shri Deepak Kothari	5,259	18,216	11,132	2,617	87,681	5,551
Shri Mitesh Kothari	103			#		
M/s Kothari Products Ltd.	5,156			2,617		
M/s Camelia Griha Nirman Pvt. Ltd.		18,216			87,681	
M/s Scaffold properties Pvt. Ltd.			2,954			59
M/s BRC Properties Pvt. Ltd.			5,621			1,810
M/s Venkatesh Griha Nirman Pvt. Ltd.			60			2,557
M/s MK Profitlease Pvt. Ltd.			185			403
M/s DK Web-Tech Pvt. Ltd.			17			555
M/s Nine Two Seven Nine Work Avenue Pvt. Ltd.			889			
M/s Salarpura Consultants Pvt. Ltd.			106			
M/s Township Real Estate Developers Pvt. Ltd.			958			
M/s BKC Properties Pvt. Ltd. (Debentures Issued)			308			
M/s DK Web-Tech Pvt. Ltd. (Debentures Issued)			30			36
M/s MK Profitlease Pvt. Ltd. (Debentures Issued)						3
M/s Scaffold properties Pvt. Ltd. (Debentures Issued)						11
M/s Salarpura Consultants Pvt. Ltd. (Debentures Issued)						24
M/s Township Real Estate Developers Pvt. Ltd. (Debentures Issued)			4			9
M/s H & M Housing Finance & Leasing Pvt. Ltd. (Debentures Issued)						7
M/s Fobos Properties Pvt. Ltd. (Debentures Issued)						5
M/s Orbis Property Pvt. Ltd. (Debentures Issued)						2
M/s Sequence Properties Pvt. Ltd. (Debentures Issued)						#
M/s Venkatesh Griha Nirman Pvt. Ltd. (Debentures Issued)						#
M/s Ambakeswar Realtors Pvt. Ltd. (Debentures Issued)						2
M/s Camelia Griha Nirman Pvt. Ltd. (Debentures Issued)						2
M/s Dnam Securities Pvt. Ltd. (Debentures Issued)						5
M/s Nine Two Seven Nine Work Avenue Pvt. Ltd. (Debentures Issued)						4
M/s Supraja Properties Pvt. Ltd. (Debentures Issued)						7
M/s Ekta Flavours Pvt. Ltd. (Debentures Issued)			#			8
						4
<b>(B) Repayment of Loans During the year</b>						
Shri Deepak Kothari	4,565	24,822	20,959	14,662	65,734	20,493
Shri Mitesh Kothari	100					
M/s Kothari Products Ltd.	4,465			14,662		
M/s Camelia Griha Nirman Pvt. Ltd.		24,822			65,734	
M/s Scaffold properties Pvt. Ltd.			392			1,783
			2,654			1,778



M/s BKC Properties Pvt. Ltd.			1,617			1,000
M/s Venkatesh Griha Nirman Pvt. Ltd.			213			375
M/s MK Prolifease Pvt. Ltd.			572			
M/s DK Web-Tech Pvt. Ltd.			889			
M/s Nine Two Seven Nine Work Avenue Pvt. Ltd.			106			
M/s Township Real Estate Developers Pvt. Ltd.			308			
M/s BKC Properties Pvt. Ltd. (Debentures Issued)			4,159			36
M/s DK Web-Tech Pvt. Ltd. (Debentures Issued)			3			504
M/s MK Prolifease Pvt. Ltd. (Debentures Issued)			620			2,825
M/s Scaffold properties Pvt. Ltd. (Debentures Issued)			604			3,128
M/s Salarpura Consultants Pvt. Ltd. (Debentures Issued)			1,007			8
M/s Township Real Estate Developers Pvt. Ltd. (Debentures Issued)			791			1,816
M/s H & M Housing Finance & Leasing Pvt. Ltd. (Debentures Issued)			995			1,413
M/s Fobos Properties Pvt. Ltd. (Debentures Issued)			30			429
M/s Orbis Property Pvt. Ltd. (Debentures Issued)			153			91
M/s Sequence Properties Pvt. Ltd. (Debentures Issued)			227			63
M/s Venkatesh Griha Nirman Pvt. Ltd. (Debentures Issued)			96			235
M/s Ambakeshwar Realtors Pvt. Ltd. (Debentures Issued)			2			217
M/s Camelia Griha Nirman Pvt. Ltd. (Debentures Issued)			405			1,180
M/s Dham Securities Pvt. Ltd. (Debentures Issued)			4			1,201
M/s Nine Two Seven Nine Work Avenue Pvt. Ltd. (Debentures Issued)			552			1,312
M/s Supraja Properties Pvt. Ltd. (Debentures Issued)			314			608
M/s Ekta Flavours Pvt. Ltd. (Debentures Issued)			4			520
M/s Pan Parag India Ltd. (Debentures Issued)			3,954			
M/s Yoga builders Pvt. Ltd. (Debentures Issued)			236			
M/s Kothari Detergents Ltd. (Debentures Issued)			46			
<b>(C) Loans Payable-Closing Balance</b>	<b>817</b>	<b>9,682</b>	<b>14,147</b>	<b>123</b>	<b>16,288</b>	<b>23,976</b>
Shri Deepak Kothari	3					
Shri Mitesh Kothari	814			123		
M/s Kothari Products Ltd.		9,682			16,288	
M/s Camelia Griha Nirman Pvt. Ltd.			2,671			109
M/s Scaffold properties Pvt. Ltd.			2,999			32
M/s BKC Properties Pvt. Ltd.						1,557
M/s Venkatesh Griha Nirman Pvt. Ltd.						28
M/s MK Prolifease Pvt. Ltd.						555
M/s Salarpura Consultants Pvt. Ltd.			958			
M/s BKC Properties Pvt. Ltd. (Debentures Issued)						4,129
M/s DK Web-Tech Pvt. Ltd. (Debentures Issued)						3
M/s MK Prolifease Pvt. Ltd. (Debentures Issued)						620
M/s Scaffold properties Pvt. Ltd. (Debentures Issued)			1,000			1,634
M/s Salarpura Consultants Pvt. Ltd. (Debentures Issued)			500			1,533
M/s Township Real Estate Developers Pvt. Ltd. (Debentures Issued)			1,000			1,791
M/s H & M Housing Finance & Leasing Pvt. Ltd. (Debentures Issued)						995
M/s Fobos Properties Pvt. Ltd. (Debentures Issued)						30
M/s Orbis Property Pvt. Ltd. (Debentures Issued)						159
M/s Sequence Properties Pvt. Ltd. (Debentures Issued)						227
M/s Venkatesh Griha Nirman Pvt. Ltd. (Debentures Issued)						96
M/s Ambakeshwar Realtors Pvt. Ltd. (Debentures Issued)						2
M/s Camelia Griha Nirman Pvt. Ltd. (Debentures Issued)						405
M/s Dham Securities Pvt. Ltd. (Debentures Issued)			26			30
M/s Nine Two Seven Nine Work Avenue Pvt. Ltd. (Debentures Issued)			1,000			1,552
M/s Supraja Properties Pvt. Ltd. (Debentures Issued)						314
M/s Ekta Flavours Pvt. Ltd. (Debentures Issued)						4
M/s Pan Parag India Ltd. (Debentures Issued)			1,446			5,400
M/s Yoga builders Pvt. Ltd. (Debentures Issued)			2,500			2,736
M/s Kothari Detergents Ltd. (Debentures Issued)						46
M/s Lohewala Constructions Pvt. Ltd. (Debentures Issued)			49			48
<b>3) Loans Receivable:-</b>						
<b>(A) Loan Given During the year</b>			<b>8,568</b>			
M/s Blackplinth Realtors Pvt. Ltd.			8,568			
<b>(B) Loans Receivable-Closing Balance</b>			<b>8,568</b>			
M/s Blackplinth Realtors Pvt. Ltd.			8,568			
<b>4) Interest Income</b>			<b>382</b>			
M/s Blackplinth Realtors Pvt. Ltd.			382			
<b>5) Interest Cost</b>		<b>1,290</b>	<b>365</b>		<b>418</b>	<b>360</b>
M/s Kothari Products Ltd.		1,290			418	
M/s BKC Properties Pvt. Ltd.			101			103
M/s DK Web-Tech Pvt. Ltd.			15			3
M/s MK Prolifease Pvt. Ltd.			20			17
M/s Scaffold properties Pvt. Ltd.			112			63
M/s Salarpura Consultants Pvt. Ltd.			47			9
M/s Township Real Estate Developers Pvt. Ltd.			3			8
M/s H & M Housing Finance & Leasing Pvt. Ltd.						5
M/s Fobos Properties Pvt. Ltd.						2
M/s Orbis Property Pvt. Ltd.						
M/s Sequence Properties Pvt. Ltd.						
M/s Venkatesh Griha Nirman Pvt. Ltd.			5			6
M/s Ambakeshwar Realtors Pvt. Ltd.						2
M/s Camelia Griha Nirman Pvt. Ltd.			50			115
M/s Dham Securities Pvt. Ltd.						5
M/s Nine Two Seven Nine Work Avenue Pvt. Ltd.			2			8
M/s Supraja Properties Pvt. Ltd.						9
M/s Ekta Flavours Pvt. Ltd.						5



Note:37 As required under section 135(4) of Companies Act, 2013 there is no contribution to CSR activity for the current year as there is average net loss for last three financial year as per section 198 of Companies Act, 2013.

**Note:38 Other Statutory Information**

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.
- (ix) Ratio for the year ended 31 March 2023 and 31 March 2022 are as under:-

Sr.No	Particulars	Numerator	Denominator	Units	As at 31 March		Variance (%)	Reasons
					2023	2022		
1	Current Ratio	Current Assets	Current liabilities	No. of times	2.12	1.88	26.22	Increased because of working capital ratio
2	Debt-Equity Ratio	Total Debt	Shareholder's equity	No. of times	1.34	2.05	(34.81)	Decreased on account of repayment of borrowings during the year.
3	Return on Equity Ratio	Net profits after taxes	Average shareholder's equity	Percentage	1.06	3.85	(72.36)	The decrease is on account of reduction in net profits.
4	Trade Receivable Turnover Ratio	Revenue	Average Trade Receivables	No. of times	0.80	1.68	(52.08)	Decrease is due to reduction in average trade receivables
5	Trade Payables Turnover Ratio	Total Purchases for Goods (credit)	Average Trade Payables for Goods	No. of times	2.47	3.91	(36.77)	Decrease is due to reduction in average trade payables
6	Net Capital Turnover Ratio	Revenue	Working Capital	No. of times	1.36	3.07	(55.71)	Decreased because of working capital ratio
7	Net Profit Ratio	Net profit	Revenue	Percentage	0.56	0.80	(5.84)	Not Applicable
8	Return on Capital Employed	Earning before interest and taxes	Capital employed	Percentage	5.33	3.30	61.40	The increase is primarily on account of higher EBIT as compared to FY 2021-22.
9 (a)	Return on Investment (Fixed Deposits)	Interest Income on Fixed Deposit	Average of Fixed Deposit	Percentage	5.94	3.67	62.12	Increase is because of change in interest rate during the year.
9 (b)	Return on Investment (Mutual Funds)	Net gain(loss) on securities value changes of Current Investments in Mutual Shares	Average Current Investments in Mutual Funds	Percentage	4.04	3.31	21.98	Not Applicable

Note:39 In accordance with Ind AS 108 "Operating Segments", segment information has not been disclosed separately as Company is operation in single segment i.e. Trading of goods.





Note: 40	Earning Per Share :	2022-23	2021-22
Basic earnings per share :			
Attributable to equity holders of the Company		3.51	12.40
Diluted earnings per share :			
Attributable to equity holders of the Company		3.51	12.40
Reconciliation of earnings used in calculating earnings per share :			
Basic earnings per share			
Profit attributable to equity holders of the Company used in calculating basic earning per shares		211	744
Diluted earnings per share			
Profit attributable to equity holders of the Company used in calculating diluted earning per shares		211	744
Weighted average number of Equity shares used as the denominator in calculating basic and diluted earnings per share		6000000	6000000

Note: 41	Disclosure as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 186(4) of the Companies Act, 2013.			
(a)	Loans / advances in the nature of loan outstanding from associates, other related parties and others are as below:-			
	Particulars	Debts outstanding as at 31 March, 2023	Maximum balance outstanding for the year ended 31 March, 2023	Maximum balance outstanding for the year ended 31 March, 2022
Other Related Parties	Blackplinth Realtors Private Limited (interest rate 8.50%)	8568	8568	
Others	Shree Krishna Creation (interest rate 5.50%)	160	168	
	Vinay Chemoplast Industries (interest rate 5.50%)	790	827	
	Indian Chemical Corporation (interest rate 9.00%)	733	733	748
	Shree S.R. Polymers (interest rate 8.00%)	484	484	
	Ace Mouldings Limited (interest rate 8.00%)	310	310	
(b)	Details of Investments, made and guarantees provided are given in Note 4, Note 8 and Note 31.			

Note: 42 # denotes the amount less than Rs.50000/-

Note: 43 Figures for the previous year have been regrouped / reclassified, wherever considered necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED HERETO.

For MEHROTRA & MEHROTRA

Firm Regn NO. 000226C

CHARTERED ACCOUNTANTS

(Rajesh Jha)

Partner

Members/ship No. 074005

Place: New Delhi

Date: 22nd May 2023

For and on behalf of the Board

(Signature)

(DEEPAK KOTHARI)

Director

(MITESH KOTHARI)

Director

Place: Kanpur

Date: 22nd May 2023

Place: Kanpur

Date: 22nd May 2023

