

Registrars & Share Transfer Agents : M/S.XL SOFTECH SYSTEMS LTD  
#3, Sagar Society, Hyderabad - 500 073.

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27<sup>th</sup> Annual General Meeting (AGM) of the members of **Kabsons Industries Limited** will be held on **Thursday, the 26<sup>th</sup> day of September, 2019 at 4.30 p.m.** at the Registered Office of the Company situated at Plot No.48, Srinagar Colony, Hyderabad-500073, Telangana, India to transact the following business:

### Ordinary Business

#### Item No.1 – Adoption of financial statements

To receive, consider, approve and adopt the Audited Financial Statements of the company for the Financial Year ended 31<sup>st</sup> March, 2019 together with the Reports of the Directors and Auditors thereon.

#### Item No.2 – Re-appointment of Sri. Rajiv Kabra, as a Director liable to retire by rotation

To appoint a director in place of Sri. Rajiv Kabra (DIN:00038605), who retires by rotation and, being eligible, seeks reappointment.

### Special Business

#### Item No.3 – Re-appointment of Sri. Rajiv Kabra, as a Whole Time Director of the Company.

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and the consent of the company be and is hereby accorded for re-appointment of Sri.Rajiv Kabra (DIN:00038605), as an Executive Director of the company for a period of five years with effect from 1st August, 2019 without any remuneration as earlier with the following perquisites:

1. Provision for use of chauffeur Driven Car.
2. Company shall provide Telephone or reimburse telephone expenses at Residence for local and long distance official calls.

**"FURTHER RESOLVED THAT** the Board be and is hereby authorized to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

#### Item No.4 – Re-appointment of Shri. P.V Subba Rao (DIN: 02299552) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 14<sup>th</sup> August, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Shri. P.V Subba Rao (DIN: 02299552) whose current period of office is expiring on 30<sup>th</sup> September, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 1<sup>st</sup> October, 2019 upto 30<sup>th</sup> September, 2024."

#### Item No.5 – Re-appointment of Smt. Mangal Rath (DIN: 06966755) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolutions as Special Resolutions:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 14<sup>th</sup> August, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Smt. Mangal Rath (DIN: 06966755) whose current period of office is expiring on 30<sup>th</sup> September, 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non Executive Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 1<sup>st</sup> October, 2019 upto 30<sup>th</sup> September, 2024."

Place: Hyderabad  
Date: 14.08.2019

By Order of the Board of Directors  
For Kabsons Industries Limited  
Sd/-  
Nagaraju Musinam  
Company Secretary

Registered Office of the Company situated at Plot No.48, Srinagar Colony, Hyderabad-500073, Telangana, India

## NOTES

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the Ordinary and Special Businesses set out in the notice and Secretarial Standard on General Meetings (SS-2), wherever applicable, are annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll in the meeting instead of such member. The proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member or shareholder.
3. A member of a company registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as its proxy unless such other person is also a member of such company.
4. The instrument appointing the proxy, duly completed, must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for this Annual General Meeting is enclosed.
5. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company by such intending person.
7. Members / proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
8. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (LODR) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from Friday, 20 September, 2019 to Thursday, 26 September, 2019 (both days inclusive).
9. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on 29<sup>th</sup> September, 2017, for a period of 5 years.
10. Additional Information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to Secretarial Standard on General Meeting (SS-2) in respect of the Directors seeking appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar. SEBI has also mandated, that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company.
12. Electronic copy of the Annual Report 2018-19 along with the Notice of the 27<sup>th</sup> Annual General Meeting of the Company (including Attendance Slip and Proxy Form) is being sent to all the members whose email IDs are registered with the Registrar / Depository Participant(s), unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the Financial Year 2018-19 along with the Notice of the 27<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent by other permissible modes.
13. Pursuant to the provisions of Section 72 of the Companies Act, 2013, the member(s) holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Member(s) holding shares in demat form may contact their respective Depository Participant for availing this facility.
14. All documents referred to in the Notice and explanatory statement are open for inspection at the registered office of the company during the normal business hours on all working days.
15. The Register of Director and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and Register of Contracts or Arrangements in which Directors are interested under section 189 will be made available for inspection by members of the Company at the meeting.
16. Members whose shareholding is in electronic mode are requested to update the change of address, email IDs and change in Bank Account details, if any with the respective Depository Participant(s).
17. With a view to using natural resources responsibly, we request the shareholders to update respective email addresses with your Depository Participants, if not already done, to enable the Company to send communications electronically.
18. Members may also note that the Notice of the 27<sup>th</sup> Annual General Meeting and the Annual Report 2018-2019 is available on the Company's Website, [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com) Members who require physical copies may write to us at [kilshareholders@gmail.com](mailto:kilshareholders@gmail.com).
19. Members are requested to bring their copy of Annual Report to the Meeting.

20. In compliance with Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by Companies (Management and Administration) Amendment Rules 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited. The facility for voting, through ballot paper, will also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their votes by remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have casted their votes by remote e-voting prior to the Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.
21. Voting through electronic means:  
Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 executed by the company with the BSE Limited, the company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).  
A member may exercise his/her votes at any General Meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with Companies (Management and Administration) Amendment Rules, 2015.  
During the e-voting period, members of the Company holding shares either in physical form or dematerialised form, as on the cut-off date (record date) i.e., (Thursday, September 19, 2019), may cast their votes electronically.  
The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.

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

- i. The voting period begins on Monday, 23<sup>rd</sup> day of September, 2019 at 9.00 a.m. IST and ends on Wednesday, 25<sup>th</sup> day of September, 2019 at 5.00 p.m. IST. During these period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) Thursday, 19<sup>th</sup> day of September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- iii. Click on "Shareholders" tab.
- iv. Now, select the "Company Name: Kabsons Industries Limited" from the drop down menu and click on "SUBMIT"
- v. Now Enter your User ID,
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification Code as displayed and Click on Login.
- vii. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

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

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant KABSONS INDUSTRIES LIMITED EVSN Reference No:190828015 on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take print out of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- ix. Note for Institutional Shareholders
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### Other Instructions:

- i. The e-voting period commences on Monday, 23<sup>rd</sup> day of September, 2019 at 9.00 a.m. IST and ends on Wednesday, 25<sup>th</sup> day of September, 2019 at 5.00 p.m. IST. During this period, member of the company holding share either in physical form or in dematerialized form as on Thursday, 19<sup>th</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting Thereafter. Once the vote on resolution is cast by the member, he shall not be allowed to change it subsequently.
- ii. The voting rights of members shall be incorporation to their shares of the paid-up equity share capital of the company as on Thursday, 19<sup>th</sup> day of September, 2019.
- iii. CS.S.Srikanth, (Membership No.22119), Company Secretary in Practice, has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process and voting through ballot in a fair and transparent manner.
- iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- v. The results declared along with the scrutinizers report shall be placed on the company website [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com) and with the website of CDSL within 48 hours of passing of resolutions at the 27<sup>th</sup> AGM of the company on September 26, 2019 and communicated to the BSE Limited where the share of the company are listed.

#### APPEAL TO MEMBERS

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

Place: Hyderabad  
Date:14.08.2019

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

For Kabsons Industries Limited  
By Order of the Board of Directors  
Sd/-  
Nagaraju Musinam  
Company Secretary

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

Name of the Director	Rajiv Kabra	Venkata Subba RaoPinapati	Mangal Rathi
DIN	00038605	02299552	06966755
Date of Birth	01/01/1966	28/09/1934	12/02/1961
Age	52 Years	85 Years	58 Years
Qualification	M.B.A.	Cost Accountant (B.Com FICWA)	Post Graduate (M A)
Experience	29 Years experience in Marketing and Administration	50 years of experience in finance and accounts	Industrialist and 11 years experience in teaching.
Relationship with other director/ Manager and other KMP	None	None	None
No of Shares held	91,17,400	Nil	2500
Directorships of other Board Membership/Chairmanship of	1 Managing Director in	Nil Nil	Nil Nil

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

Except Mr. Rajiv Kabra, Mr. K V Subba Rao and Mrs. Mangal Rathi and their relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 2, 3, 4 & 5 of the notice.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

**ITEM NO. 3:**

Mr. Rajiv Kabra (DIN: 00038605) is a Post Graduate in Business Administration and associated with your Company since inception. The Board of Directors of the Company had appointed Mr. Rajiv Kabra, as Executive Director effective From 1<sup>st</sup> August, 2019 pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V thereof as amended upto date the consent of the company, the reappointment of Executive Director of the Company is to be approved by the members of the company by way of Ordinary Resolution as per the above perquisites.

**ITEM NO. 4:**

Re-appointment of Shri. P.V. Subba Rao (DIN: 02299552) as an Independent Director of the Company Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the SEBI (LODR) Regulations, 2015 of Listing Agreement with the stock exchanges, at the 22<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014, Shri. P.V. Subba Rao was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years for a term upto 31<sup>st</sup> March, 2019. Since, Shri. P.V. Subba Rao will complete his initial term as an Independent Director of the Company on 30<sup>th</sup> September, 2019, he is eligible for re-appointment for one more term. Shri. P.V. Subba Rao, aged 85 years, is a cost Accountant and having experience in Finance and Accounts. He is on the Board of the Company since 10<sup>th</sup> June, 2008 as an Independent Director.

**ITEM NO. 5:**

Re-appointment of Smt. Mangal Rathi (DIN: 06966755) as an Independent Woman Director of the Company Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and the SEBI (LODR) Regulations, 2015 of Listing Agreement with the stock exchanges, at the 22<sup>nd</sup> Annual General Meeting held on 30<sup>th</sup> September, 2014, Smt. Mangal Rathi was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years for a term upto 31<sup>st</sup> March, 2019. Since, Smt. Mangal Rathi will complete her initial term as an Independent Director of the Company on 30<sup>th</sup> September, 2019, he is eligible for re-appointment for one more term. Smt. Mangal Rathi is a Post Graduate (M.A) and she was an Industrialist and presently working as a Teacher in Private School from last 11 Years. She is on the Board of the Company since 30<sup>th</sup> September, 2014 as an Independent Director.

By Order of the Board of Directors  
For Kabsons Industries Limited

Sd/-  
Nagaraju Musinam  
Company Secretary

Place: Hyderabad  
Date: 14.08.2019

## **KABSONS INDUSTRIES LIMITED**

### **BOARD'S REPORT**

To

The Members of **KABSONS INDUSTRIES LIMITED**,

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2019.

Pursuant to notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 (as amended from time to time) with effect from 1st April, 2017 and the accounts are prepared under INDAS.

#### **Financial Results:**

(Rs.in Lakhs)

		<b>Year Ended</b> <b>31.03.2019</b>	<b>Year Ended</b> <b>31.03.2018</b>
1	Sales, Other Income & Exceptional items	<b>1,072.50</b>	<b>797.69</b>
2	Profit before Finance Cost and Depreciation and Earlier Year tax Paid	<b>117.25</b>	<b>129.96</b>
3	Finance Costs	<b>6.98</b>	<b>7.10</b>
4	Depreciation	<b>20.87</b>	<b>14.58</b>
5	Earlier Year tax Paid	<b>0.08</b>	<b>0.00</b>
6	Profit after Financial Charges and Depreciation and Earlier Year tax Paid	<b>89.32</b>	<b>108.28</b>

#### **Discussion on Financial Performance:**

During the year under consideration, the Company's has generated profit of Rs.117.25 Lakhs before finance costs and depreciation as against a profit of Rs.129.96 Lakhs during the previous year, which includes lease income and lease income is the major source of revenue to the Company. Your Directors are trying every opportunity for improving the performance with increased revenue in the next year.

#### **Business Review**

The Company has been focusing on Lease income and as per demand, a new factory shed at our Aurangabad premises is constructed which also improved the revenues for part of the year to the company. The company also started during this year Bottling at our Palej plant for one of the parallel marketers which also improved the revenues.

#### **Liquefied Petroleum Gas (LPG) Industry Overview**

Most of the LPG volume is handled by PSU's for domestic supplies. The Government of India has issued 115.27 lakhs connections under Pradhan Manthri Ujjwala Yojana (PMUY) scheme during the short period of three months only and leaving limited opportunity for Domestic Parallel Marketers.

#### **Out Look:**

All the Plants of our Company continue to be operational either by our own or third-party bottling or on leasing out. Company will put all efforts to improve the revenues in the coming year.

#### **Financial Performance**

The Following is the Financial Performance of your Company:

(Rs.in Lakhs)

	<b>2018-2019</b>	<b>2017-2018</b>	<b>Change in %</b>
<b>INCOME</b>			
Sales	<b>823.43</b>	579.33	<b>42.13</b>
Other Income	<b>239.32</b>	213.48	<b>12.10</b>
Exceptional item	<b>9.75</b>	4.88	<b>99.80</b>
<b>Total</b>	<b>1,072.50</b>	<b>797.69</b>	<b>34.45</b>
<b>EXPENSES</b>			
Operational Expenses	<b>796.51</b>	543.66	<b>(46.51)</b>
Staff cost	<b>65.98</b>	54.84	<b>(20.31)</b>
Finance costs	<b>6.98</b>	7.10	<b>1.69</b>
Other Expenses	<b>92.76</b>	69.23	<b>(33.99)</b>
Depreciation	<b>20.87</b>	14.58	<b>(43.14)</b>
Earlier year Tax	<b>0.08</b>	0.00	<b>(100)</b>
<b>Total:</b>	<b>983.18</b>	<b>689.41</b>	<b>(42.61)</b>
<b>Profit</b>	<b>89.32</b>	<b>108.28</b>	<b>(17.51)</b>

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

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

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

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

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

During the year under review, there was no change in authorized share capital of the Company. Authorized share capital of the company as on March 31, 2019 was Rs. 18,00,00,000/-, comprising of 1,80,00,000 equity shares of Rs. 10/- each.

**Paid-up Share Capital**

During the year under review, there was no change in paid up share capital of the Company. Paid up share capital of the company as on March 31, 2019 was Rs. 17,46,30,000/-, comprising of 1,74,63,000 equity shares of Rs. 10/- each.

**Buy Back of Securities**

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

**Sweat Equity**

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

**Bonus Shares**

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

**Employees Stock Option**

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

**Dividend**

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

**Transfers to Reserves**

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

**Deposits**

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

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

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

There were no materially significant transactions with Related Parties during the financial year 2018-19 which were in conflict with the interest of the Company. The details of contracts and arrangements with related parties as referred to in Section 188(1) of the Companies Act, 2013 were given as **Annexure - I** to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

**Related party Transactions:**

The details of the Related Party Transactions are furnished in Note 33.4.5 of the Notes on the Financial Statements attached to this Report. All the related party transactions have been on an arm's length basis.

**Particulars of Loans, Guarantees or Investments**

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company neither has, directly or indirectly, given any loan to its Directors nor extended any guarantee or provided any security in connection with any loan taken by them. Further, the Company has neither given any inter-corporate loan / advance nor made any investments in other companies during the financial year 2018-19.

**Number of Board Meetings held**

The Board of Directors duly met 4 times during the financial year from 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019, the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard-1.

**Directors and Key Managerial Personnel**

The Company is well supported by the knowledge and experience of its Directors and Executives. In terms of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Shri. Rajiv Kabra, Executive Director (Whole Time Director) of the Company is liable to retire by rotation and being eligible, has offered himself for re-appointment.

The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 30<sup>th</sup> May, 2019 have recommended and approved the re-appointment of Shri. Rajiv Kabra (DIN: 00038605), whose term as Executive Director of the Company expired on 31<sup>st</sup> July, 2019 as Executive Director (Whole Time Director) of the Company for a period of 5 years w.e.f. 1<sup>st</sup> August, 2019 in terms of the provisions of the Companies Act, 2013, subject to approval of Members at this ensuing Annual General Meeting of the Company and all other statutory approvals.

Further, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 14<sup>th</sup> August, 2019, have recommended and approved the re-appointment of Shri. P V Subba Rao, whose first term as Independent Director of the Company will be expiring on 30<sup>th</sup> September, 2019 and proposed to be re-appointed as Independent Director for a second consecutive term period of 5 (five) years w.e.f. 1<sup>st</sup> October, 2019 upto 30<sup>th</sup> September, 2024, subject to approval of Members at this ensuing Annual General Meeting of the Company.

Further, the Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 14<sup>th</sup> August, 2019, have recommended and approved the re-appointment of Smt. Mangal Rathi, whose first term as Independent Director of the Company will be expiring on 30<sup>th</sup> September, 2019 and proposed to be re-appointed as Independent Director for a second consecutive term period of 5 (five) years w.e.f. 1<sup>st</sup> October, 2019 upto 30<sup>th</sup> September, 2024, subject to approval of Members at this ensuing Annual General Meeting of the Company.

#### **Declaration by Independent Directors**

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

#### **Familiarization programme for Independent Directors**

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

#### **Independent Directors' Meeting**

The Independent Directors met on 14.02.2019, without the attendance of Non-Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **Board Evaluation:**

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

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

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

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

#### **Nomination and Remuneration policy**

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

#### **Statutory Auditors**

M/s. K S Rao & Associates, Chartered Accountants, (Firm Registration No.003109S) were appointed as Statutory Auditors of your Company to hold office from the conclusion of the 25<sup>th</sup> AGM held in the year 2017, until the conclusion of the 30<sup>th</sup> AGM to be held in the year 2022. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide Notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on 29<sup>th</sup> September, 2017.

#### **Qualification by Statutory Auditor**

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

- A) In view of very limited strength of employees, presently working with the Company, the requirements of AS-19 Employee Benefits in respect of gratuity could not be complied with. However, provision for gratuity as required under Payment of Gratuity Act has been provided for.
- B) Interest for the year Rs.6,13,849/- on deposits of distributors/dealers has not been provided in view of company's adverse financial position and will be negotiated for waiver resulting to over statements of profit by that amount and understatement of current liabilities by Rs.1,15,69,269/-

This report form part of the Annual Report.

#### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s. B S S & Associates, Practicing Company Secretaries for conducting Secretarial Audit of the Company for the financial year 2018-2019. The Secretarial Audit Report is annexed herewith as **Annexure - III**.

### Qualification by Secretarial Auditor

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

### Internal Auditors

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

### Internal financial control and its adequacy

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

### Vigil Mechanism / Whistle Blower Policy

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

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

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

### Management Discussion and Analysis

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

### Management of Risks

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

### Audit Committee

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

### Risk Management

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

### Corporate Social Responsibility (CSR) Initiatives:

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

### Extract of Annual Return

As required by Section 92(3) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in Form MGT-9 is available on the Company's website at <http://www.kabsonsindustrieslimited.com/shareholdersinformation>.

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

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

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

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

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

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

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

### Corporate Governance

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