

**28th Annual Report 2019 - 2020**



**Kabsons Industries Limited**



## KABSONS INDUSTRIES LIMITED

### 28<sup>th</sup> Annual Report 2019 – 2020

<b>BOARD OF DIRECTORS</b>	Sri. Rajiv Kabra	Chairman and Executive Director [ DIN:00038605]
	Sri. Venkata Subba Rao Pinapati	Independent Director [DIN:02299552]
	Smt. Mangal Rathi	Independent Director [DIN:06966755]
	Ms. Riha Kabra	Additional Director [DIN:08825577] w.e.f. 27-08-2020
	Sri. Krishna Murthy Motamarri	Chief Financial Officer
	Sri. Nagaraju Musinam	Company Secretary cum Compliance Officer
<b>COMMITTEES OF THE BOARD</b>		
<b>AUDIT COMMITTEE</b>	Sri. P V Subba Rao	Chairman
	Sri. Rajiv Kabra	Member
	Smt. Mangal Rathi	Member
<b>NOMINATION &amp; REMUNERATION COMMITTEE</b>		
Registered Office	Sri. P V Subba Rao	Chairman
	Sri. Rajiv Kabra	Member
	Smt. Mangal Rathi	Member
	Ms. Riha Kabra	Member
	Kabsons Industries Limited [CIN:L23209TG1993PLC014458] Plot No.17, H.No. 8-2-293/82/C/17, Madhuw Vihar, 2 <sup>nd</sup> Floor, Jubilee Hills, Road No.7, Hyderabad – 500033 Email: operationslpg@gmail.com / www.kabsonsindustrieslimited.com Phone No: +91 40-23554970	
Factory	Plot No.B-3, Phase 1, MIDC, Waluj, Aurangabad - 431 136. Maharashtra	
<b>SHARE TRANSFER &amp; INVESTOR’S GRIEVANCE COMMITTEE</b>		
Stock Exchanges Where company’s Securities are Listed	Sri. P V Subba Rao	Chairman
	Sri. Rajiv Kabra	Member
	Smt. Mangal Rathi	Member
<b>ISIN</b>	BSE Limited INE645C01010	
Bankers	HDFC Bank Limited State Bank of India	
Auditors	M/s. K S Rao & Co., Chartered Accountants Flat No.601A, Golden Green Appartments, Erramanzil Colony, Somajiguda, Hyderabad - 500 082.	
Registrars & Share Transfer Agents	M/S.XL SOFTECH SYSTEMS LTD #3, Sagar Society, Hyderabad - 500 034.	
Secretarial Auditors	B S S & Associates Company Secretaries 6-3-626, Parameswara Appts., 5 <sup>th</sup> Floor, 5A, Anand Nagar, Khairatabad, Hyderabad 500004.	

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting (AGM) of Kabsons Industries Limited will be held on Wednesday, the 30<sup>th</sup> day of September, 2020 at 4.30 p.m. through Video Conference ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business. The Venue of the meeting shall be deemed to be the Registered Office of the Company situated at Madhuw Vihar, Second Floor, Plot No.17, H.No. 8-2-293/82/C/17, Jubilee Hills, Road No.7, Hyderabad, Telangana – 500033.

**Ordinary Business:****Item No.1 – Adoption of financial statements**

To receive, consider and adopt the Audited Financial Statements of the company for the Financial Year ended 31<sup>st</sup> March, 2020 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, offers himself for re-appointment.

**Special Business:****Item No.3 – Regularization of appointment of Ms.Riha Kabra (DIN: 08825577), as Non-Executive and Non-Independent Director of the Company.**

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: "RESOLVED THAT Ms. Riha Kabra (DIN:08825577), who was appointed as an Additional Director (Non-executive, Non Independent Director ) of the Company w.e.f. August 27, 2020 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Article of Association, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer herself for appointment, be and is hereby appointed as a Non-executive, Non Independent Director of the Company, liable to retire by rotation." "RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution

By Order of the Board of Directors of  
Kabsons Industries Limited

Sd/-

Nagaraju Musinam

Company Secretary

M No.A48209

Place : Hyderabad

Date : 27.08.2020

Registered Office: H.No.8-2-293/82/C/17, Plot No 17, 2nd Floor, Madhuw Vihar, Jubilee Hills, Road No.7, Hyderabad - 500033, Telangana. email: operationslpg@gmail.com

**Notes:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, ('the Act') relating to the Special Business to be transacted at the Annual General Meeting ('AGM') is annexed hereto. The Board of Directors have considered and decided to include the Item No.3 given above as Special Business in the forthcoming AGM, as it is unavoidable in nature.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. Pursuant to the provisions of the Act, normally, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. The relevant details required to be given under Regulation 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of directors seeking appointment/ re-appointment at this AGM are given in the Annexure-2.
6. In accordance with, the General Circular No. 20/2020 dated 5th May, 2020 issued by MCA and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by SEBI, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
9. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
10. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through the e-voting system provided by CDSL in the Video Conferencing platform during the e-AGM. Kindly refer below for instruction for e-voting during the AGM.
11. The Company has fixed 18<sup>th</sup> September 2020 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.
12. The Register of Members and Transfer Book of the Company will be closed from 22<sup>nd</sup> September 2020 to 30<sup>th</sup> September 2020 (both days inclusive).
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May 2020, Notice of the e-AGM along with the Annual Report for the financial year ended on 31<sup>st</sup> March 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
14. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
15. 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.
16. 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.
17. 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.
18. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [operationslpg@gmail.com](mailto:operationslpg@gmail.com).
19. 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).
20. 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.
21. Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report 2019-2020 is available on the Company's Website, [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com)
22. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 01<sup>st</sup> April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrars and Transfer Agents, XL softech Limited for assistance in this regard.

23. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
24. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the e- AGM.
25. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 28th AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Sunday, 27<sup>th</sup> day of September, 2020 at 9.00 a.m. IST and ends on Tuesday, 29<sup>th</sup> day of September, 2020 at 5.00 p.m. IST. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date <Record Date> Friday, the 18<sup>th</sup> day of September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification 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 e-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 Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both 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) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 shareholders 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 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [xlfield@rediffmail.com](mailto:xlfield@rediffmail.com).
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL 16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [xlfield@rediffmail.com](mailto:xlfield@rediffmail.com).
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [operationslpg@gmail.com](mailto:operationslpg@gmail.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [operationslpg@gmail.com](mailto:operationslpg@gmail.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- 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 a 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 linked in the login 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [operationslpg@gmail.com](mailto:operationslpg@gmail.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.



## KABSONS INDUSTRIES LIMITED



### GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

- 1 Details of Scrutinizer: B S S & Associates, Practicing Company Secretaries (Unique Code of Partnership Firm: P2012AP02600) has been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.
- 2 The Scrutinizer's decision on the validity of the vote shall be final.
- 3 The Scrutinizer after scrutinizing the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 48 hours of conclusion of the e-AGM to the Chairman of the Company/meeting or a person authorised by him in writing, who shall countersign the same.
- 4 The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. [www.kabsonsindustrieslimited.com](http://www.kabsonsindustrieslimited.com). The results shall simultaneously be communicated to BSE Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.
- 5 The Resolutions shall be deemed to be passed at the registered office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

### 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 [xifield@gmail.com](mailto:xifield@gmail.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.

By Order of the Board of Directors of  
Kabsons Industries Limited  
Sd/-

Nagaraju Musinam  
Company Secretary  
M No.A48209

Place : Hyderabad

Date : 27.08.2020

Registered Office: H.No.8-2-293/82/C/17, Plot No 17, 2nd Floor, Madhuw Vihar, Jubilee Hills, Road No.7, Hyderabad - 500033, Telangana. email: [operationslpg@gmail.com](mailto:operationslpg@gmail.com)

### Annexure to the Notice of the 28th Annual General Meeting

#### Annexure 1

Statement pursuant to Section 102 (1) of the Companies Act 2013

As required by Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No's. 3 of the accompanying Notice dated 27th August, 2020.

#### Item No. 3:

The Board of Directors had appointed based on the recommendation of Nomination and Remuneration Committee, Ms. Riha Kabra (DIN:08825577), as an Additional Director of the Company pursuant to the provisions of the Companies Act, 2013 read with Articles of Association of the Company and in compliance with applicable regulations of SEBI (Listing Regulations) in the category of Non -Executive and Non-Independent Director, with effect from 27<sup>th</sup> August, 2020. Presently she will hold office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from a member signifying its intention to propose the candidature of Ms. Riha Kabra (DIN:08825577), for the office of her Directorship in the Company under the provisions of Section 160 of the Act, 2013. The Board of Directors accordingly recommends the resolution set out at Item No. 3 of the accompanying Notice for the approval of the Members. None of the Directors, Key Managerial Personnel, and/or their relatives, except Mr. Rajiv Kabra and Ms. Riha Kabra, in any way, concerned or interested in the said resolution.

By Order of the Board of Directors of  
Kabsons Industries Limited  
Sd/-

Nagaraju Musinam  
Company Secretary  
M No.A48209

Place : Hyderabad

Date : 27.08.2020

#### Annexure 2

(Pursuant to Regulation 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015) and Secretarial Standard-2)

Details of Directors seeking re-appointment at the Annual General Meeting

Name of the Director	RIHA KABRA
DIN	08825577
Date of Birth	24/12/1997
Age	22 Years
Qualification	BSc Hons in Sociology with Psychology
Date of First Appointment on the Board	27.08.2020
Nature of Appointment	Retires by rotation and offers herself for re-appointed.
Terms and Conditions of Reappointment	Appointment as a director subject to retirement by rotation under Sec.152 of the Companies Act, 2013.
Inter-se relationship with other Directors of the Company	Daughter of Rajiv Kabra Whole Time Director of the Company
Number of Board Meetings attended	NIL
No of Shares held	Nil
Directorships in other Listed Companies	Nil
Membership/Chairmanship of Committees of other Board	Nil

By Order of the Board of Directors of  
Kabsons Industries Limited  
Sd/-

Nagaraju Musinam  
Company Secretary  
M No.A48209

Place : Hyderabad

Date : 27.08.2020

## BOARD'S REPORT

To

The Members of **KABSONS INDUSTRIES LIMITED**,

Your Directors have pleasure in presenting the 28<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2020.

**FINANCIAL RESULTS:**

(Rs.in Lakhs)

	Financial Year 2019-2020	Financial Year 2018-2019
Revenue from operations	852.03	1022.53
Other Income	43.24	40.22
<b>Total Revenue</b>	<b>895.27</b>	<b>1062.75</b>
Total Expenses	818.78	983.10
Profit before Finance Cost, Depreciation & exceptional items	154.40	127.00
Finance Cost	12.78	6.98
Depreciation	30.21	20.87
Exceptional items	17.46	9.75
Profit/ (Loss) before Tax	93.95	89.40
Tax Expenses (Earlier year Tax Paid)	0.32	0.08
Profit after Tax	93.63	89.32
Basic & Diluted Earnings per share of Rs.10/- each	0.54	0.51

**DISCUSSION ON FINANCIAL PERFORMANCE:**

During the year under consideration, the Company's has generated profit of Rs.154.40 Lacs before finance costs, depreciation and exceptional items as against a profit of Rs.127.00 Lacs 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, the Company has already expanded the facility for Leasing and Licence by constructing a new factory building at one location for third party use and getting revenues from the same. All the bottling plants are operational during the year under consideration except two locations where third party has discontinued the leasing arrangement from March 2020 onwards.

**LIQUEFIED PETROLEUM GAS (LPG) INDUSTRY OVERVIEW**

Most of the LPG volume is handled by PSU's for domestic supplies. The central government may soon allow private companies to sell subsidized LPG in India, a move which could potentially break the monopoly of the state-owned oil marketing companies in the domestic cooking gas segment. The Ministry of Petroleum and Natural Gas has setup a five member committee to review the existing frame work of LPG marketing in India and identify the grey areas that might allow private entities to sell subsidized cooking gas.

**OUT LOOK:**

All the Plants of our Company continue to be operational either by our own or third-party bottling or on leasing out except two locations. However in view of COVID-19 Pandemic, the revenues of the Company are partially affected. Company will put all efforts to improve the revenues in the coming year.

**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.

**Change of the Registered Office**

The Board of Directors at their meeting held on 14<sup>th</sup> February, 2020, approved the change of Registered Office of the Company from Plot No 48, H.No.8-3-1087, Srinagar Colony, Hyderabad, Telangana 500073 to Madhuw Vihar, Second Floor, Plot No.17, H.No.8-2-293/82/C/17, Jubilee Hills, Road No.7, Hyderabad, Telangana-500033 with effect from 14.02.2020.

**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, 2020 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, 2020 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 fixed deposits within the meaning of Section 73 of the Companies Act, 2013 read with rules made there under.

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

All transactions entered into 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 2019-20 which were in conflict with the interests 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.

The details of the Related Party Transactions are furnished in Note 34.3.5 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 2019-20.

**Number of Board Meetings held**

The Board of Directors duly met 4 times during the financial year from 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020, 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.

**Key Managerial Personnel**

During the year under review, the following were the 'Key Managerial Personnel' of the Company:

Sri. Rajiv Kabra – Whole Time Director

Sri. Krishna Murthy Motamarri - Chief Financial Officer; and

Sri. Nagaraju Musinam – Company Secretary and Compliance Officer

**Directors**

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.

Your Board has appointed Ms. Riha Kabra (DIN:08825577), as an Additional director of the Company on 27.08.2020. Pursuant to the provisions of section 161 of the Companies Act, 2013, she shall hold office up to the date of the ensuing annual general meeting and being eligible offered herself for appointment as director by the members in the annual general meeting.

**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 14.02.2020, 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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- They have prepared the annual accounts on a going concern basis;
- 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
- 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 & Co., 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:

*Interest for the year Rs.6,12,049/- on deposits of Dealers/Distributors 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.1,21,81,317.*

This report form part of the Annual Report.

**Details in respect of frauds reported by Auditors under Section 143 (12) other than those which are reportable to the Central Government.**

There were no frauds reported by the Statutory Auditors under sub-section 12 of Section 143 of the Companies Act, 2013 along with Rules made there under.

**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 2019-2020. The Secretarial Audit Report is annexed herewith as **Annexure - III**.