



## KESAR PETROPRODUCTS LIMITED

404, Naman Centre, C-31/G Block, BKC, Bandra (E), Mumbai - 400 051.

Tel: (022) 40424100 • URL - [www.kesarpetroproducts.com](http://www.kesarpetroproducts.com)

Date: 07/09/2020

The Stock Exchange, Mumbai  
Department of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001

**Sub: Annual Report for the year 2019-2020**  
**Scrip Code: 524174**

Dear Sir,

Please find enclosed herewith 30<sup>th</sup> Annual Report for the year 2019-20, the Annual General Meeting of which will be held on 30<sup>th</sup> September 2020. We would also like to inform you that Annual Report has been sent by e-mail through NSDL to those shareholders who have registered their e-mail address with NSDL/Link Intime India Private Limited.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,

**For KESAR PETROPRODUCTS LIMITED**

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**MOHIT KAUSHIK**  
**EXECUTIVE DIRECTOR AND CEO**  
**DIN: 06463483**

**30<sup>TH</sup> ANNUAL REPORT  
2019 – 2020**

**(CIN: L23209PN1990PLC054829)**



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Mohit P. Kaushik	Executive Director & CEO
Mr. K. D. Fatnani	Independent Director
Mr. Nazirsaheb M. Sayyad	Independent Director (Up to 09.11.2019)
Mrs. Neelam Yashpal Arora	Independent Director (From 12.11.2019)
Mrs Snehlata Dinesh Sharma	Director

## CHIEF FINANCIAL OFFICER

MR. JIGNESH DESAI

## COMPANY SECRETARY

DR. VINJAMURI GOVINDARAJA CHARI

## STATUTORY AUDITORS

M/S. A. SACHDEV & COMPANY  
CHARTERED ACCOUNTANTS

## INTERNAL AUDITORS

M/S. SAYEED KHAN & ASSOCIATES  
CHARTERED ACCOUNTANTS

## SECRETARIAL AUDITORS

M/S. PANKAJ & ASSOCIATES  
COMPANY SECRETARY

## REGISTERED OFFICE & FACTORY

PLOT NO. D-7/1, M.I.D.C ,  
LOTE PARSHURAM, TALUKA KHED,  
DISTRICT RATNAGIRI 415722  
MAHARASHTRA

## BANKERS

UNION BANK OF INDIA

## REGISTRAR & TRANSFER AGENTS

M/S. LINK INTIME INDIA PRIVATE LIMITED  
C – 101, 247 PARK, VIKHROLI WEST  
MUMBAI 400 083.  
TEL: +91 22 49186000 \* FAX: +91 22 49186060

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# NOTICE

**NOTICE** is hereby given that the 30th Annual General Meeting of Kesar Petroproducts Limited will be held on Wednesday, 30th September, 2020 at 1.00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

## A. ORDINARY BUSINESS:

**Item No. 1.** To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 together with the reports of the Board and Auditors' thereon.

**Item No. 2.** To appoint a Director in place of Mrs. Snehalata Dinesh Sharma (DIN: 01854393), who retires by rotation and being eligible, offers herself for re-appointment.

## B. SPECIAL BUSINESS:

### Item No. 3. Appointment of Mrs. Neelam Yashpal Arora as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ('**ACT**'), the Companies (Appointment and Qualifications) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

('Listing Regulations'), as amended from time to time, **Mrs. Neelam Yashpal Arora (DIN 01603068)** who was appointed as an Independent Director by the Nomination and Remuneration Committee of the Board and confirmed by the Board of Directors, on 12th November, 2019, respectively, and who is eligible for appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a member under Section 160(1) of the Act proposing her candidature for the office of Director, **be and is hereby appointed as an Independent Director of the Company**, based on the recommendation of the Nomination and Remuneration Committee, to hold office for a term, in the first instance, commencing from 12th November, 2019 up to 11th November, 2024, not liable to retirement by rotation."

**By Order of the Board of Directors  
For Kesar Petroproducts Limited**

**Mohit P. Kaushik  
Executive Director & CEO  
DIN: 06463483**

**Regd. Office:**  
D-7/1, M.I.D.C., Lote Parshuram, Taluka-Khed, District Ratnagiri 415722, Maharashtra

**Place: Mumbai  
Date: 31<sup>st</sup> July, 2020**

## NOTES:

1) The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to Item No. 3 of the Special Business forms part of this Notice. Additional information, pursuant to the applicable Regulations of the SEBI (Listing Obligations and Listing Requirements) Regulations, 2015 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 Annual General Meeting is furnished as Annexure II to this Notice.  
2) (a) In view of the continuing Covid – 19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as MCA Circulars) permitted the holding of the Annual General Meeting (AGM) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies

Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and MCA Circulars, the AGM of the Company is being held through VC/OAVM.

- (b) Pursuant to the provisions of the Act, a member entitled to vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- 3) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization should be sent to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 4) Mrs. Snehalata Dinesh Sharma retires by rotation and being eligible offers herself for re-appointment. The details pertaining to aforesaid directors as required under Clause 1.2.5 of Secretarial Standards on General Meeting and Regulation 26(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished in Annexure II to the Notice.
- 5) The route map and prominent landmark of the venue of the 30th Annual General Meeting as required under Clause 1.2.4 of the Secretarial Standards on the General Meeting is not annexed herewith as the AGM is being held through VC / OAVM.
- 6) The members or proxies are requested to bring with them the Annual Report, as extra copy of the same will not be supplied as per usual practice.
- 7) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 8) Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting (including through e-voting)
- 9) Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the meeting so that the answers can be made available at the Meeting.
- 10) As per provisions of Section 72 of the Companies Act 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in single name and physical form are advised to make nomination in the prescribed form SH-13 with RTA and in respect of shares held in demat form, the nomination form may be filled with respective DP.
- 11) The Shareholders are requested to notify changes, if any, in their address to their depository participants in respect of their holding in electronic form and to the Registrars and Transfer Agents of the Company, M/s. Link Intime India Private Limited having office at C-101, 247 Park, L.B.S Marg, Vikroli (West), Mumbai 400083; Tel No. +91 22 49186000; Fax: +91 22 49186060, Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in), Website: [www.linkintime.co.in](http://www.linkintime.co.in) in respect of their holding in physical form.
- 12) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 24th September, 2020 to Wednesday the 30th September, 2020 (both days inclusive).**
- 13) Members who hold shares in dematerialized form are requested to bring their client ID and DPID for easier identification of attendance at the meeting.
- 14) The Shareholders whose dividend remained unclaimed for the financial year 31st March, 2015 are requested to claim it immediately from Company.
- 15) In view of various advantages, the members are requested to avail the facility of dematerialization of the Company's shares.
- 16) The members of the Company holding their shares in physical form or in dematerialized form, who have not registered their e-mail IDs and Mobile number with the Company or Depository Participant, to receive documents like Notice, Annual Reports and correspondence through electronic mode are requested to send

their e-mail IDs and Mobile number either to the Company's id: **info@kesarpetroproducts.com** or Registrars and Transfer Agents email [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or to Depository Participant.

17) Copies of Annual Report 2019-20 are being sent by electronic mode, only to those members who have registered their email addresses with the Company/ Depository Participant, unless any member has requested for a physical copy of the same. Annual Report 2019-20 are not being sent by physical mode to those members who have not registered their email addresses with the Company/ Depository Participant. Members may please note that the Annual Report 2019-20 is available on the website of the Company viz. **www.kesarpetroproducts.com**.

18) 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited.

#### 19) EVOTING:

I) Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to announce that the Company is providing facility to the members to cast their votes on all the business mentioned in the Notice through electronic means. It may please be noted that the e-voting is optional.

II) For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating e-voting to enable the shareholders of the Company to cast their votes electronically.

III) The Board of Directors of the Company has appointed M/s. Pankaj & Associates,

Practicing Company Secretary, Mumbai, as scrutinizer to conduct and scrutinize the remote e-voting and voting at the 30th Annual General Meeting in a fair and transparent manner.

#### IV) Process and manner of voting:

In case of Shareholders receiving e-mail from NSDL:

- i. Open e-mail and open PDF file viz; "KESAR e-Voting. Pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- ii. In case any shareholder is already registered with NSDL for e-voting, then that shareholder can use the existing user ID and password for casting of vote and step no. (i) and (vi) be skipped.
- iii. Launch internet browser by typing the following URL: **<https://www.evoting.nsdl.com>**.
- iv. Click on Shareholder – Login.
- v. Put user ID and password as mentioned in step (i) or (ii) above, as may be applicable. Click Login.
- vi. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- viii. Select "EVEN" (E-Voting Event Number) of Kesar Petroproducts Limited.
- ix. Now you are ready for e-Voting as Cast Vote page opens.
- x. Cast your vote by selecting appropriate option and click on "submit" and also "confirm" when prompted.
- xi. Upon confirmation, the message "Vote cast successfully" will be displayed.

- xii. Once you have voted on the resolution, you will not be allowed to modify your vote.

Institutional shareholders (i.e members other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPEG FORMAT) of the relevant Board Resolution / Authority Letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through email **info@kesarpetroproducts.com** with a copy marked to **evoting@nsdl.co.in**.

- V) In case of query, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the download sections of <http://www.evoting.nsdl.com> or contact NSDL at the following Telephone No: 1800-222-990.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

- VI) The remote e-voting period commences on Sunday, the 27th September, 2020 (9:00 a.m.) and closes on Tuesday, the 29th September, 2020 (5:00 p.m.). At the end of the remote e-voting period, the portal where votes are cast shall forthwith be blocked.
- VII) The Cut of date: Wednesday, 23rd September, 2020.

Persons who have become members of the Company after the date of dispatch of notice by the Company, may apply to NSDL for receiving their User ID and Password required for remote e-voting.

Persons whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall

be entitled to avail the facility of remote e-voting as well as voting in the general meeting.

- VIII) M/s. Pankaj & Associates, Practicing Company Secretary, Mumbai, the scrutinizer will unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favor or against, if any and submit the same to Mr. Mohit Kaushik, Executive Director of the Company on or before 3rd October, 2020.

- IX) The results along with the scrutinizer's report shall be placed on the website of the Company immediately after the same is declared.

- X) Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of 30th Annual General Meeting.

- XI) Remote e-voting facility shall not be available beyond 29th September, 2020 (5:00 p.m.).

- XII) Company shall provide voting facility at the meeting electronically.

The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The members who have already exercised their vote by way of remote e-voting shall be entitled to participate in the meeting but shall not be allowed to vote.

- XIII) Names of the members appearing in the Register of Members as on 23rd September, 2020 shall only be entitled to vote.

- XIV) Members are requested to address the grievance connected with facility for voting by electronic means to the Compliance officer of the Company. Email ID: **info@kesarpetroproducts.com**; Tel No: +91-2356-272471.

- XV) Public Notice under Rule 20(4)(V) of the Companies (Management and Administration) Rules, 2014 will be placed on the website of the Company.

- XVI) Members holding shares, both physical and demat, are entitled to vote through remote e-voting.



## 20. ATTENDING ANNUAL GENERAL MEETING BY VIRTUAL MODE THROUGH VIDEO CONFERENCING / OTHER AUDIO VIRTUAL MODE

### Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - ▶ Select the “**Company**” and “**Event Date**” and register with your following details: -
    - A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
      - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
      - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
      - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
    - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. Mobile No.:** Enter your mobile number.
    - D. Email ID:** Enter your email id, as recorded with your DP/Company.
  - ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMeet website.

### Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

### Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

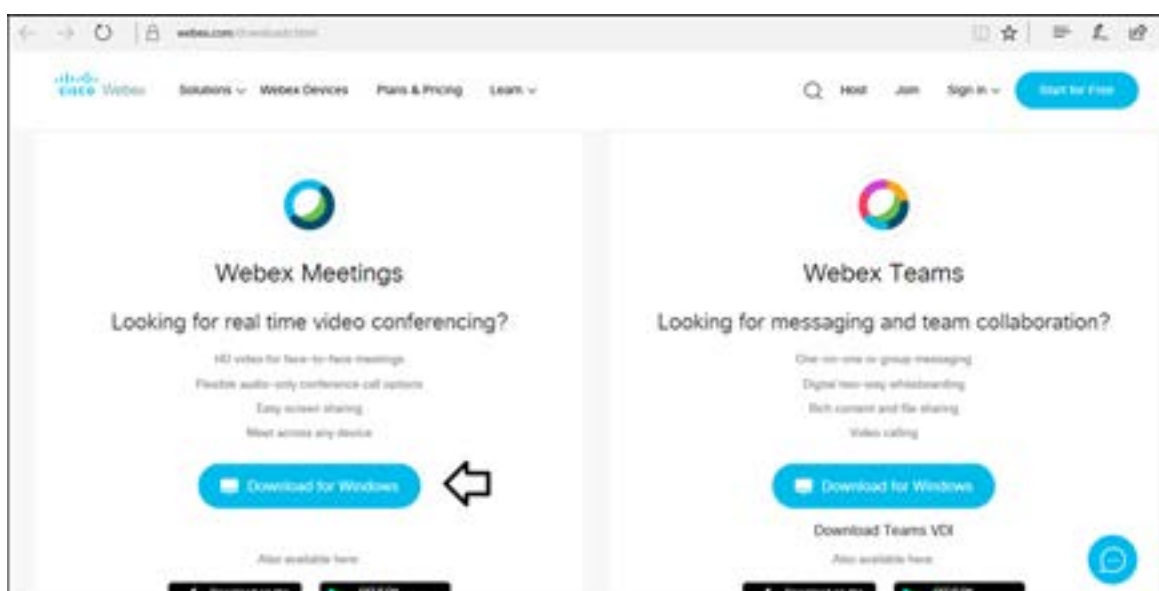
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

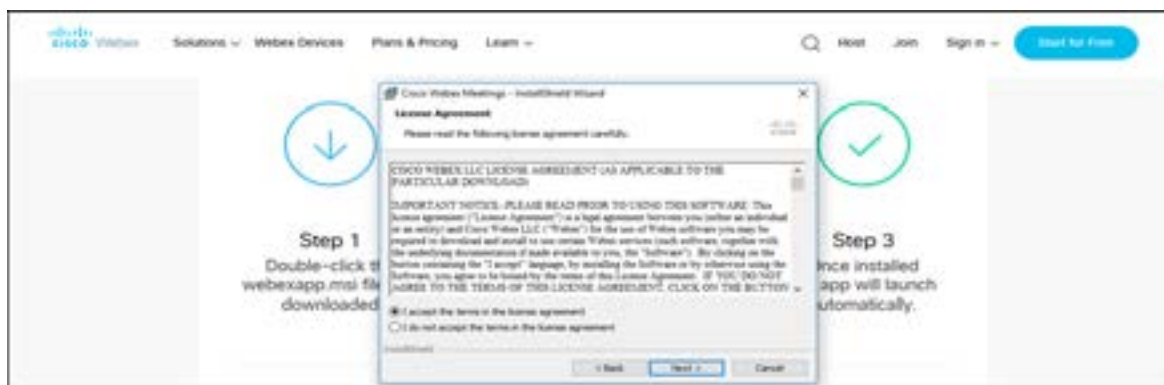
## Annexure

### Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMeet

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMeet, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>





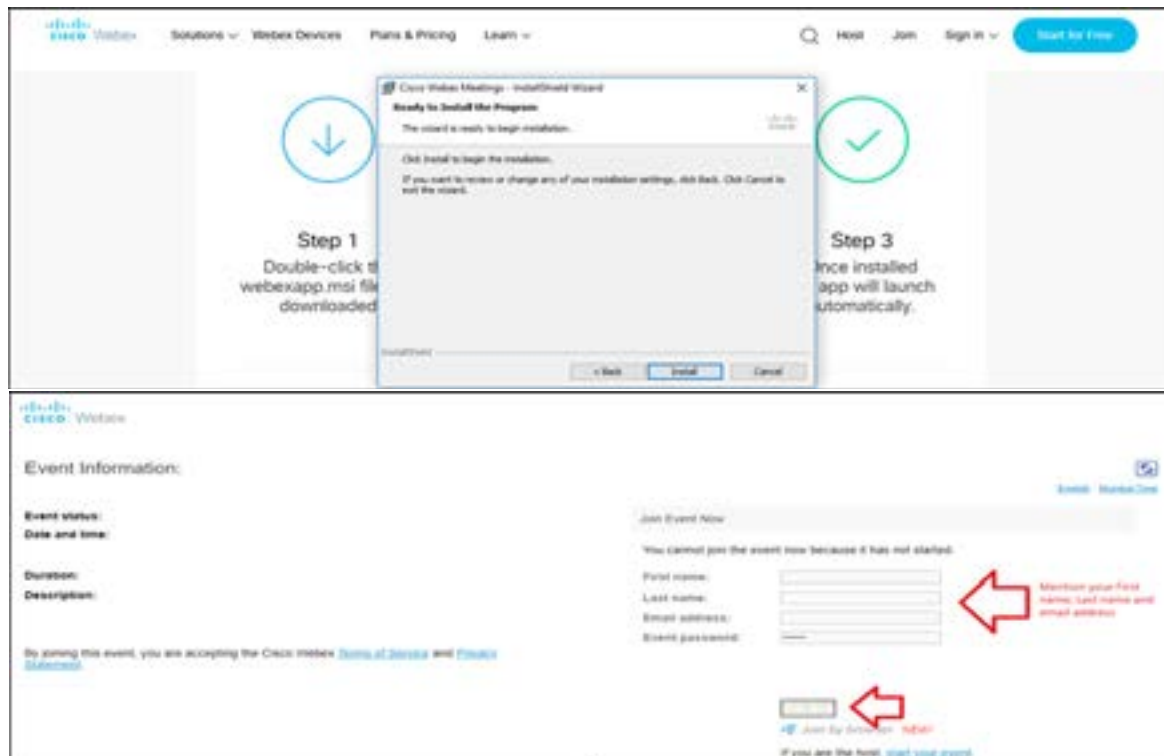
## Step 1

Enter your First Name, Last Name and Email ID and click on Join Now.

1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1 (B) If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

**For Kesar Petroproducts Limited**

**Mohit P. Kaushik**  
**Executive Director& CEO**  
**DIN: 06463483**

**Place: Mumbai**  
**Date: 31<sup>st</sup> July, 2020**

# ANNEXURE I TO THE NOTICE

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

### Item No. 3

Mrs. Neelam Yashpal Arora was appointed as an Independent Director of the Company, by the Nomination and Remuneration Committee of the Board on 12th November, 2019 and confirmed by the Board in its meeting held on the said date, subject to her appointment as an Independent Director by the shareholders by way of an Ordinary Resolution at the ensuing Annual General Meeting. This appointment would be for a period of 5 years in the first instance for a period of 5 years from 12th November, 2019 up to 11th November, 2024, and her holding the office of Independent Director is not subject to retirement by rotation.

The Company has received from Mrs. Neelam Yashpal Arora-

- (1) Consent to act as a Director in Form DIR – 2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014;
- (2) Intimation in Form DIR – 8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014 to the effect that she is not disqualified under Section 164(2) of the Act;
- (3) Declaration to the effect that she meets with the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015 as amended; and
- (4) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that she has not been debarred from holding the office of a Director by virtue of any order passed by the Securities and Exchange Board of India or any other such authority.

In terms of Sections 149, 152 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, and in terms of the applicable Listing Regulations, each as amended, the appointment of Mrs. Arora as an Independent Director

for the first term commencing from 12th November, 2019 up to 11th November, 2024 is being placed before the shareholders for their approval by way of an Ordinary Resolution. Mrs. Arora, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mrs. Arora is a person of integrity, fulfills the conditions specified in the Act and the Rules made thereunder read with the provisions of the Listing Regulations, each as amended, and is independent of the Management of the Company. A copy of the draft letter of appointment of Mrs. Arora as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the members at the Registered Office of the Company during normal business hours on working days up to the date of the Annual General Meeting (AGM) and will also be kept open at the venue of the AGM till the conclusion of the meeting. The profile and specific areas of expertise of Mrs. Arora are provided in the Annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mrs. Arora, to whom this resolution relates, is concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

The Board recommends the resolution set out at Item No. 3 for approval of the Members.

### For Kesar Petroproducts Limited

**Mohit P. Kaushik**  
**Executive Director & CEO**  
**DIN: 06463483**

**Place: Mumbai**  
**Date: 31<sup>st</sup> July, 2020**

## ANNEXURE II TO THE NOTICE

Details of the directors proposed to be appointed / re-appointed as per point 1.2.5 of Secretarial Standards on General Meeting and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Name	<b>Dr. (Mrs.) Neelam Yashpal Arora</b>	<b>Mrs. Snehlata Dinesh Sharma</b>
Age	60 Years	60 Years
Qualifications	<b>M.Com, M.Phil., LLM, Ph.D.</b>	<b>M. Com.</b>
Experience	35 years as Professor and 10 years as Principal of Lala Lajpat Rai College of Commerce & Economics, Mumbai	33 years of business experience in varied fields of accountancy, business management and entrepreneurship.
Terms and conditions of appointment including details of remuneration	As Independent Director receives remuneration as sitting fees for attending meetings of the Board of Kesar Petroproducts Limited and Shreyas Intermediates Limited, both of which are Listed Companies.	As a Non-Independent Non-executive Director receives remuneration as sitting fees for attending meetings of the Board of Kesar Petroproducts Limited.
Last drawn remuneration	None except sitting fees for meetings of the Board and its Committees	None except sitting fees for meetings of the Board and its Committees
Date of first appointment by the Board of Directors of the Company	12th November, 2019	30th May, 2015
Shareholding in the Company	NIL	NIL
Relationship with other directors and Key Managerial of the Company	NONE	NONE
Number of meetings attended during the financial year 2019-20	(1) Shreyas Intermediates Limited – 4 Board Meetings, 4 Meeting of the Audit Committee of the Board and One Meeting of the Nomination & Remuneration Committee of the Board (2) Kesar Petroproducts Limited - 2 Board Meetings, 1 Meeting of the Audit Committee of the Board and One Meeting of the Nomination & Remuneration Committee of the Board.	Kesar Petroproducts Limited - 4 Board Meetings, and 4 Meetings of the Stakeholders Relationship Committee of the Board
Other directorship, membership / chairmanship of committees of other board	Shreyas Intermediates Limited – Independent Director, Member of the Audit Committee And Nomination & Remuneration Committee.	NIL
Justification for appointment of Director	She is versatile academic and professional acumen and experience in the fields of education, commerce, taxation, economics and law and is an asset to the Company.	As a Non-executive, Non-independent Director has very diversified and well rounded experience in management, general administration and entrepreneurship.

By Order of the Board of Directors

**For Kesar Petroproducts Limited**

**Mohit P. Kaushik**

**Executive Director & CEO**

**DIN: 06463483**

**Place: Mumbai**

**Date: 31<sup>st</sup> July, 2020**

# DIRECTORS' REPORT

To,  
The Members of  
KESAR PETROPRODUCTS LIMITED

Your Directors presents the 30th Annual Report together with the Audited Financial Statements for the year ended 31st March, 2020.

## FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March, 2020 is summarized below:

(Rs. In Lakhs )

Particulars	2019-20	2018-19
Revenue from operations	<b>12978.78</b>	15474.19
Other Income	<b>96.26</b>	141.18
<b>Total Turnover &amp; Other Income</b>	<b>13075.04</b>	15615.37
Less : Manufacturing and Other Expenses	<b>12740.90</b>	14993.54
Profit / (Loss) before interest and Depreciation	<b>334.14</b>	621.83
Less : Finance Costs (Interest)	<b>90.33</b>	109.52
Profit / (Loss) after Interest	<b>243.81</b>	511.95
Less : Depreciation and Misc. Expenses written off	<b>508.80</b>	474.10
Net Profit / (Loss) before exceptional items and tax	<b>(264.99)</b>	37.85
Exceptional Items	<b>(-)4.89</b>	4.91
Profit / (Loss) Before Tax	<b>(269.89)</b>	32.93
Less: Tax Expense (including Deferred Tax)	<b>8.54</b>	64.56
Profit/(Loss) after tax	<b>(261.35)</b>	(31.62)
<b>Earnings Per Share (EPS)</b>	<b>(-) 0.27</b>	(-) 0.03

## REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS:

The total net Loss before tax of the Company in the current year was Rs. 269.89 Lakhs as against net Profit before tax of Rs. 32.93 Lakhs in the previous year. The Company has incurred a Net Loss after tax of Rs. 261.35 Lakhs in the current year as compared to Net Loss after tax Rs. 31.62 Lakhs in the previous year.

The business outlook for the Company was less than rosy in the current year due to factors beyond the control of the management; during the year the Company faced turbulence because of fire in the plant and then the resumption of operations became lethargic on account of ageing of the plant. The start of the COVID-19 pandemic since March 2020 and the lockdowns that followed till 30th June, 2020 to varying degrees of intensity both by the Central Government and the Government of Maharashtra and still continuing, has impacted the overall business environment substantially and your Company in particular, leading to several economic downgrades; the resumption of normal activities have commenced in June, 2020. The demand of the products in the pigment range remains luke warm and the demand for the products in dye intermediate range have had severe roll back.

The focus of the Company to have dye intermediates as a substantial revenue generator also suffered a setback because of price crash in the dye intermediates. The Beta Naphthol series of intermediates was then stopped. The Company has started other dye intermediates to replace the Beta Naphthol intermediates and hope to do better in this sector.



The turbulence in the intermediate market coupled with reduction in value addition of CPC was a setback in this year. The Company is hopeful that this coming year will be better than the previous year though the signs of headwinds in terms of recession is seen by the Company.

The Company's products however remain fairly well established and the Company has a loyal set of customers.

#### **DIVIDEND:**

In view of Loss incurred, your Directors do not recommend any dividend for the year ended 31st March, 2020.

#### **RESERVES:**

The Company did not transfer any amount to General Reserve.

#### **CHANGE IN NATURE OF BUSINESS:**

The Company is engaged in the business manufacturing Phthalocyanine range of pigments and Dye Intermediates. There was no change in the nature of business activities of the Company during the year under review.

#### **MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

#### **SUBIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have subsidiary, joint venture and associate company.

#### **DEPOSITS:**

During the year under review, the Company has not accepted or renewed any deposits within the meaning of Section 73 and 76 of the Companies Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. There was no deposit which remained unclaimed and unpaid at the end of the year.

#### **EXTRACT OF ANNUAL RETURN:**

An extract of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is attached herewith and marked as '**Annexure I**'.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

As per Section 152(6) of the Companies Act, 2013 Mrs. Snehlata Dinesh Sharma retires by rotation and being eligible offers herself for re-appointment as the Director of the Company.

Mr. N. M. Sayyad resigned as an Independent Director with effect from 9th November, 2019. Mrs. Neelam Yashpal Arora was appointed as an Independent Director with effect from 12th November, 2019 by the Nomination and Remuneration Committee of the Board and her appointment was confirmed by the Board on 12th November, 2019, subject to her appointment being ratified by the shareholders in the ensuing Annual General Meeting.

Mrs. Manali More ceased to be Chief Financial Officer (CFO) of the company with effect from 25th October, 2019; Mr. Jignesh Desai was appointed as the Chief Financial Officer (CFO) with effect from 12th November, 2019.



Mr. P. M. Nair resigned as the Company Secretary with effect from 7th January, 2020. Dr. V. G. Chari (FCS 2695) was appointed by the Nomination & Remuneration Committee of the Board on 13th January, 2020 and his appointment was confirmed by the Board in its meeting held on 10th February, 2020.

Other than stated above there was no change in the Directors and Key Managerial Personnel of the Company.

#### **COMPOSITION OF BOARD AND STATUTORY COMMITTEES FORMED THEREOF:**

The Composition of the Board and Statutory Committees thereof along with other details are given in the Corporate Governance Report.

#### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:**

The Board met 4 (Four) times during the year. The details of the meetings are given in the Corporate Governance Report. The intervening gap between the two meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **DECLARATION OF INDEPENDENT DIRECTORS:**

The Independent Directors of the Company have given the requisite declaration pursuant to Section 149(7) of the Companies Act, 2013 to the effect that they meet criteria of independence as provided in Section 149(6) of the Act.

#### **FORMAL ANNUAL EVALUATION:**

Pursuant to the provisions of Sec 134(3) of Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 and Regulation 4 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:**

The Board, on the recommendation of the Nomination and Remuneration Committee of the Company, has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Salient features of the Remuneration Policy are:

The Remuneration Policy of the Company is divided into the following headings and the entire policy is available on the website of the Company [www.kesarpetroproducts.com](http://www.kesarpetroproducts.com);

(1) Preface (2) Commencement (3) Definitions (4) Purpose (5) Principles of Remuneration (6) Nomination and Remuneration Committee (7) Selection and appointment of the Board Members (8) Process for evaluation; and (9) Publication

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby confirms that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors 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 as at 31st March 2020 and of the loss of the company for period ended on that date;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors have prepared the annual accounts on a going concern basis;
- (e) the directors 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) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

Following are the particulars of loans, guarantees and investments under Section 186 of the Companies, Act, 2013 of the Company:

- (A) Loans provided: (Amount in Rs.)

Opening Balance	Amount of Loans Given During The Year	Amount of amounts (Loans repaid) received during the ear	Closing Balance
21,49,21,438	11,71,836	21,37,11,434	23,81,840

- (B) Guarantees:  
No Guarantees were given during the year under review.

- (C) Investments made: (Amount in Rs.)

Nature of Investments	Opening Balance	Amount Invested during the year	Amount Redeemed	Closing Balance
Union Capital Protection Oriented Fund	1,35,06,250	-	-	1,28,87,500
<b>Total</b>	<b>1,35,06,250</b>	<b>-</b>	<b>-</b>	<b>1,28,87,500</b>

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES PURSUANT TO SECTION 188(1) OF THE COMPANIES ACT, 2013:**

There were no contracts or arrangements or transactions with any related parties which could be considered material in accordance with the policy of the Company during the year under review. Hence, the Company is not required to disclose details of the related party transactions in Form AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

#### **PARTICULARS OF EMPLOYEES:**

There was no employee who was employed throughout the year or part thereof and in receipt of remuneration aggregating to Rs. 1,02,00,000/- p.a. or more or who was employed for part of the year and in receipt of remuneration aggregating to Rs.8,50,000/- p.m. or more.

#### **PARTICULARS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

The details related to employees and their remuneration as required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned in Annexure 'III' to this Board's Report.

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

### (A) Conservation of energy-

(i)	the steps taken or impact on conservation of energy;	NIL
(ii)	the steps taken by the company for utilizing alternate sources of energy;	Exploring the possibility of power generation through sulphuric acid.
(iii)	the capital investment on energy conservation equipment.	NIL

### (B) Technology absorption-

(i)	the efforts made towards technology absorption;	NIL
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	NIL
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
(iv)	the expenditure incurred on Research and Development.	NIL

### (C) Foreign exchange earnings and outgo-

The Foreign Exchange earned in terms of actual inflows during the year;	Rs. 107.11 Lakhs
The Foreign Exchange outgo during the year in terms of actual outflows.	Rs. 828.48 Lakhs

## SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS:

The following Orders were passed by the Securities and Exchange Board of India with regard to non-compliance of (i) Minimum Public Subscription; (ii) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015:-

S. No.	Subject matter of the Notice	SEBI Order dated	Order passed by	Penalties Levied
1	Non-compliance of Minimum Public Shareholding of 25% (MPS)	30.01.2020	Adjudicating Officer (AO)	Rs. 3 Lakhs to Rs. 3.50 Lakhs per person / entity
2	Non-compliance with yearly disclosures (SAST)	09.03.2020	Whole-time Member (WTM)	Concerned people barred from accessing or dealing in the Securities market for one year.
3	Non-compliance with Insider Trading Regulations (PIT)	19.06.2020	Adjudicating Officer (AO)	No penalties as disclosure was done by other means.

The Company has filed an appeal in the Securities Appellate Tribunal in respect of the AO's Order on MPS. Other than the above, there was no significant material order passed by any regulator or court or tribunal; none of the above SEBI Orders impact the going concern status of the Company or will have bearing on company's operations in future.

#### **INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:**

The Company has in place proper and adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The Company monitors and evaluates the efficacy and adequacy of internal control system, its compliance with operating systems, accounting procedures and policies.

#### **VIGIL MECHANISM POLICY:**

The Company has a Vigil Mechanism policy to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The details of the Vigil Mechanism Policy is explained in the Corporate Governance Report and also posted on the website of the Company. We affirm that during the financial year 2019-20, no employee or director was denied access to the Audit Committee.

#### **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

#### **CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION ANALYSIS REPORT:**

Pursuant to Regulation 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the following have been made a part of the Annual Report and are attached to this report:

- Management Discussion and Analysis Report - 'Annexure -IV'
- Corporate Governance Report - 'Annexure V'
- Declaration by Executive Director/CEO affirming with the compliance of the code of conduct of Board of Directors and Senior Management - 'Annexure VI'
- Practicing Company Secretary's Certificate under sub-para 10(i) of Part C of Schedule V of SEBI (LODR), Regulations, 2015 - 'Annexure VII'
- Auditors' Certificate regarding compliance of conditions of Corporate Governance - 'Annexure VIII'

#### **STATUTORY AUDITORS:**

At the Company's 27th Annual General Meeting held on 28th September, 2017, M/s. A. Sachdev Co., Mumbai, Chartered Accountants (Firm Reg. No. 001307C) has been appointed as the Statutory Auditor of the Company for a term of 5 years to hold office from the conclusion of the 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company.

#### **INTERNAL AUDITORS:**

The Company has appointed M/s. Sayeed Khan & Associates, Chartered Accountants, Mumbai as Internal Auditors. The Internal Auditors monitor and evaluate the efficiency and adequacy of internal control systems in

the Company, its compliances with operating systems, accounting procedures and policies at all locations of the Company and reports the same on quarterly basis to the Audit Committee.

#### **SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Pankaj & Associates, Company Secretaries, Mumbai to undertake the Secretarial Audit and Secretarial Compliance of the Company. The Secretarial Audit Report and the Secretarial Compliance Certificate are attached herewith and marked as 'Annexure IX & X'.

#### **EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

There were no qualifications, reservations, adverse remarks made or fraud reported by the Statutory Auditors in their reports. There are also no points for which separate explanation would be given.

The observations / qualifications / adverse remarks made by the Secretarial Auditors relate to SEBI Orders as mentioned above and have been adequately explained therein.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

Pursuant to Section 135 of the Companies Act, 2014 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has formed Corporate Social Responsibility Committee and a Policy on Corporate Social Responsibility (CSR).

The Company could not spend the required amount on CSR activities as per the CSR policy of the Company because the Company could not identify proper project to make expenditure towards its CSR obligations. The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year is set out in 'Annexure II' of this report in the format prescribed in the Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

#### **INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

Internal Complaint Committee was formed under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was received by the Committee.

#### **DISCLOSURE ON IMPACT OF COVID-19 PANDEMIC ON THE BUSINESS AS ADVISED VIDE SEBI CIRCULAR NO SEBI/HO/CFD/CMDI/CIR/P/2020/84 DATED MAY 20, 2020**

In accordance with the SEBI Circular, information relating to COVID – 19 impact on the business of the Company is given below:-

<b>Particulars As Per SEBI Circular Dated May 20, 2020</b>	<b>Details of Disclosures</b>
Impact of Covid 19 pandemic on the business	The impact on the business has been very pronounced due to National, State and Local Governments Lockdown for almost a period of 4 months
Ability to maintain operations including the Factories /units/office spaces functioning and closed down	For more than 3 months the factory / office spaces could not function as 10% of the staff / workers were allowed to work as the company is not in the essential services sector
Schedule, if any for restarting the operations	There was no planned schedule as the lockdowns were not allowing for working as a continuous process industry.

Particulars As Per SEBI Circular Dated May 20, 2020	Details of Disclosures
Steps taken to ensure smooth functioning of operations	Given the constraints, steps have been taken to mitigate the business and industry specific stress.
Estimation of future impact of COVID-19 on operations	The past 4 months' experience has shown that the financial year 2020 – 2021 is going to be a very stressful and very far from smooth operations.
Details of impact of COVID-19	
Capital	Adequacy of Capital has been impacted very severely.
Profitability	The area is in negative territory and very tough to get by.
Liquidity	Operational liquidity was about just 25% and stress on meeting creditors' payments has become extremely difficult
Ability to service debts and other financial arrangements	About 25% – 30% ability – the rest in in negative territory
Assets	Impairment by about 40%
Internal Financial reporting and control	Very Stressed reporting and control is weak.
Supply Chain	Affected due to transport restrictions and movement of people.
Demand for products and services	Demand for products has suffered due to the adverse supply chain impact
Existing contracts/agreements where' _ non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	Yes – the stress on contracts / obligations exists but so far these factors are not yet disruptive. The next 8 months would reveal the significance and extent of the impact on the company's business.
Other relevant material updates Though the impact of COVID-19 seems to about the listed entity's business	The following are material updates:- (1) The factory has been functioning with just about 45 - 50% normalcy. (2) The Creditors and Debtors have so far been manageable. (3) The liquidity is a problem area but the company endeavours to address this with innovative means by addressing these issues to the Company's creditors and debtors.

#### ACKNOWLEDGEMENTS:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the support and confidence reposed by the shareholders of the Company.

By Order of the Board of Directors

Place: Mumbai  
Date: 31st July, 2020

**Mohit P. Kaushik**  
Executive Director & CEO  
DIN: 06463483

**Mrs. Snehlata D. Sharma**  
Director  
DIN: 01854393

# ANNEXURE 'I' TO THE DIRECTORS' REPORT

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2020 OF KESAR PETROPRODUCTS LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L23209PN1990PLC054829
ii)	Registration Date [DDMMYY]	01.01.1990
iii)	Name of the Company	Kesar Petroproducts Limited
iv)	Category / Sub-Category of the Company	Public Limited Company
v)	Address of the Registered office and contact details	Registered office: D-7/1, M.I.D.C., Lote Parshuram, Taluka Khed Ratnagiri -415722. Email: info@kesarpetroproducts.com Tel: +91-02356 272339; Fax: +91-02356 272571
vi)	Whether listed company	Yes
vii)	Name, Address and contact details of Registrar & Transfer Agents, if any	Link Intime India Private Limited C-101, 247 Park, L.B.S Marg, Vikroli (West), Mumbai 400083. Tel: +91 22 49186000 Fax: +91 22 49186060

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of dyes and pigments from any source in basic form or as concentrate	20114	100.00%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. NO.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	-	-	-	-	-

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of	Demat	Physical	Total	% of	
					Total Shares				Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	61725813	0	61725813	'63.8500	61725813	0	61725813	'63.8500	'0.0000
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	61725813	0	61725813	'63.8500	61725813	0	61725813	'63.8500	'0.0000
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	61725813	0	61725813	'63.8500	61725813	0	61725813	'63.8500	'0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	5380	0	5380	'0.0056	5380	0	5380	'0.0056	'0.0000
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	100000	0	100000	'0.1034	100000	0	100000	'0.1034	'0.0000
(f)	Financial Institutions / Banks	1010	1400	2410	'0.0025	15782	1,400	17182	'0.0178	'0.0153
(g)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Foreign Mutual Fund	0	2270	2270	'0.0023	0	2,270	2270	'0.0023	'0.0000
	Sub Total (B)(1)	106390	3670	110060	'0.1138	121162	3,670	124832	'0.1291	'0.0153



Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of	Demat	Physical	Total	% of	
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	20831641	370120	21201761	'21.9314	20770683	368490	21139173	'21.8666	'-0.0648
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1905559	5000000	6905559	'7.1432	2016929	5000000	7016929	'7.2584	'0.1152
(b)	NBFCs registered with RBI	11500	0	11500	'0.0119	1080	0	1080	'0.0011	'-0.0108
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Trusts	5000	0	5000	'0.0052	0	0	0	'0.0000	'-0.0052
	Foreign Nationals	14	0	14	'0.0000	14	0	14	'0.0000	'0.0000
	Hindu Undivided Family	1234472	0	1234472	'1.2770	1178093	0	1178093	'1.2186	'-0.0584
	Non Resident Indians (Non Repat)	255199	0	255199	'0.2640	392554	0	392554	'0.4061	'0.1421
	Non Resident Indians (Repat)	1992749	100000	2092749	'2.1648	2158943	100000	2258943	'2.3367	'0.1719
	Clearing Member	904244	0	904244	'0.9354	60326	0	60326	'0.0624	'-0.8730
	Bodies Corporate	2208669	18130	2226799	'2.3034	2758363	17050	2775413	'2.8709	'0.5675
	Sub Total (B)(3)	29349047	5488250	34837297	'36.0362	29336985	5485540	34822525	'36.0209	'-0.0153
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	29455437	5491920	34947357	36.1500	29458147	5489210	34947357	36.1500	'0.0000
	Total (A)+(B)	91181250	5491920	96673170	'100.000	91183960	5489210	96673170	100.000	'0.0000
(C)	Non Promoter - Non Public									
	(C1) Shares Underlying DRs									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	(C2) Shares Held By Employee Trust									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	9,11,81,250	54,91,920	96673170	'100.000	91183960	5489210	96673170	100.000	

## ii) Shareholding of Promoter-

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Share-shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M/s. Dinesh S. Sharma HUF	30000000	'31.0324	0.0000	30000000	31.0324	'0.0000	-
2	Mr. Shankarlal Sharma	10	0	0	10	0.00	0	-
3	Mr. Shreyas Sharma	14225803	14.7154	0	14225803	14.7154	0	-
4	Ms. Shruti Sharma	17500000	18.1022	0	17500000	18.1022	0	-
<b>TOTAL</b>		<b>61725813</b>	<b>63.8500</b>	<b>0.0000</b>	<b>61725813</b>	<b>'63.8500</b>	<b>'0.0000</b>	<b>'0.0000</b>

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

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no change in Promoters' Shareholding			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
	At the end of the year				

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

S No	For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Rajkumar</b>				
	At the beginning of the year	5000000	5.1721	5000000	5.1721
	Bought during the year	Nil	Nil	5000000	5.1721
	Sold during the year	Nil	Nil	5000000	5.1721
	At the end of the year	5000000	5.1721	5000000	5.1721
<b>2</b>	<b>GLOBALWORTH SECURITIES LIMITED</b>				
	At the beginning of the year	250000	0.2586	250000	0.2586
	Bought during the year	751000	0.7768	1001000	1.0354
	Sold during the year	301000	0.3113	700000	0.7241
	At the end of the year	700000	0.7241	700000	0.7241
<b>3</b>	<b>SURENDER BHADANA</b>				
	At the beginning of the year	234279	0.2423	234279	0.2423
	Bought during the year	352053	0.3641	586332	0.6284
	Sold during the year	38709	0.0400	547623	0.5665
	At the end of the year	547623	0.5665	547623	0.5665
<b>4</b>	<b>HIVE FINTRADE PRIVATE LIMITED</b>				
	At the beginning of the year	400000	0.4138	400000	0.4138
	Bought during the year	95000	0.0983	495000	0.5120
	Sold during the year	45000	0.0465	450000	0.4655
	At the end of the year	450000	0.4655	450000	0.4655
<b>5</b>	<b>JWALA NARSIMHA SWAMY AKUTHOTA</b>				
	At the beginning of the year	400245	0.4140	400245	0.4140
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	400245	0.4140	400245	0.4140
<b>6</b>	<b>MANALI JAY GALA</b>				
	At the beginning of the year	223569	0.2313	223569	0.2313
	Bought during the year	96431	0.0997	320000	0.3310
	Sold during the year	-	-	320000	0.3310
	At the end of the year	320000	0.3310	320000	0.3310
<b>7</b>	<b>POORVI ALPESH JHAVERI</b>				
	At the beginning of the year	300000	0.3103	300000	0.3103
	Bought during the year	-	-	300000	0.3103
	Sold during the year	-	-	300000	0.3103
	At the end of the year	300000	0.3103	300000	0.3103
<b>8</b>	<b>SETU SECURITIES PRIVATE LIMITED</b>				
	At the beginning of the year	Nil	Nil	280000	0.2896
	Bought during the year	280000	0.2896	280000	0.2896
	Sold during the year	Nil	Nil	280000	0.2896

S No	For Each of the Top 10 Shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the end of the year	280000	0.2896	280000	0.2896
<b>9</b>	<b>VASUDEV GURMUKHDAS CHHABRIA</b>				
	At the beginning of the year	237000	0.2452	237000	0.2452
	Bought during the year	35000	0.0362	272000	0.2814
	Sold during the year	Nil	Nil	272000	0.2814
	At the end of the year	272000	0.2814	272000	0.2814
<b>10</b>	<b>MAHARASHTRA PETROCHEMICALS CORPORATION LIMITED</b>				
	At the beginning of the year	257260	0.2661	257260	0.2661
	Bought during the year	Nil	Nil	257260	0.2661
	Sold during the year	Nil	Nil	257260	0.2661
	At the end of the year	257260	0.2661	257260	0.2661
<b>11</b>	<b>GEETA CHETAN SHAH</b>				
	At the beginning of the year	864755	0.8945	864755	0.8945
	Bought during the year	Nil	Nil	864755	0.8945
	Sold during the year	789755	0.8169	75000	0.0776
	At the end of the year	75000	0.0776	75000	0.0776

Shares in the name of Mr. Rajkumar, have been issued in the promoters quota thus only the promoters could have the shares. The promoters have paid for these shares through a share swap of their other Company. The promoters have appropriated these shares against the shares given to him of other company. However for want of proper transfer deed which Mr. Rajkumar has not given the shares are reflected in his name. There is a criminal case instituted against Mr. Rajkumar by the promoters.

**v) Shareholding of Directors and Key Managerial Personnel:**

SI No.	For each of the Director and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No shares are held by Directors and Key Managerial Personnel either at the beginning or at the end of the year			
	Date wise Increase / Decrease during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

## V) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7,55,31,244	1,770	-	7,55,33,014
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>7,55,31,244</b>	<b>1,770</b>	<b>-</b>	<b>7,55,33,014</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	8,01,39,409	-		8,01,39,409
* Reduction	7,23,10,513	1,770		7,23,12,283
<b>Net Change</b>	<b>78,28,896</b>	<b>(1,770)</b>		<b>78,27,126</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,33,60,140	-	-	8,33,60,140
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>8,33,60,140</b>	<b>-</b>	<b>-</b>	<b>8,33,60,140</b>

The amount of loan is secured by placing Rs. 14.05 Cr FDs of the promoters and Rs. 7.24 Cr belonging to the Company.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Amount in Rs.

S No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Mohit Kaushik (Executive Director & CEO)	N.A	N.A	N.A	
1	Gross salary		-	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,49,194	-	-	-	4,49,194
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	
5	Others, please specify		-	-	-	-
	-					
	Total (A)	4,49,194	-	-	-	4,49,194
	Ceiling as per the Act	AS PER SCHEDULE III OF THE ACT				

## B. Remuneration to other directors

Amount in Rs.

S No.	Particulars of Remuneration	Name of Directors			Total Amount
3.	Independent Directors	-	-	-	-
	Fee for attending board committee meetings				
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)				
4.	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	N.A	N.A	N.A	N.A

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD -

Amount in Rs.

SI No.	Particulars of Remuneration	Key Managerial Personnel					
		CEO	CS		CFO		Total
1	Gross salary	N.A	Mr. P. M. Nair up to 07.01.2020	Dr. V. G. Chari w.e.f. 13.01.2020	Mrs. Manali More up to 25.10.2019	Mr. Jignesh Desai w.e.f. 12.11.2019	
	(a) Salary as per section 17(1) of the Income-tax Act, 1961 (IT Act)	-	1,12,500	45,000	3,34,393	1,63,500	6,55,393
	(b) Value of perquisites u/s	-	-	-	-		
	(c) Profits in lieu of salary under section 17(3) - IT Act	-	-	-	-		
2	Stock Option	-	-	-	-		
3	Sweat Equity	-	-	-	-		
4	Commission	-	-	-	-		
	- as % of profit	-	-	-	-		
5	Others, specify	-	-	-	-		
	<b>TOTAL</b>	-	<b>1,12,500</b>	<b>45,000</b>	<b>3,34,393</b>	<b>1,63,500</b>	<b>6,55,393</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board of Directors

Place: Mumbai  
Date: 31st July, 2020

**Mohit P. Kaushik**  
Executive Director& CEO  
DIN: 06463483

**Mrs. Snehlata D. Sharma**  
Director  
DIN: 01854393

# ANNEXURE 'II' TO THE DIRECTORS' REPORT

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY [CSR] ACTIVITIES

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

The Company has framed a CSR Policy in compliance with the provisions of section 135 of Act. The CSR activities are proposed to be initiated in the field of promoting education.

2. **Composition of the CSR Committee:**

Mr. Nazirsaeb M. Sayyad	-	Chairman ( Up to 09.11.2019)
Mr. K. D. Fatnani	-	Member
Mr. Mohit P. Kaushik	-	Member
Mrs. Neelam Arora	-	Member (From 12.11.2019)

3. **Average net profits of the Company for the last three financial years:** Rs. 12,91,29,593/-

4. **Prescribed CSR expenditure [2% of the amount as in item No. 3 above]:** Rs. 25,82,592/-

5. **Details of CSR spent during the financial year:**

- i. Total amount to be spent during the financial year 2019-20 - Rs. NIL
- ii. Amount unspent, if any: Rs. 1,08,42,000/-

6. **In case the Company has failed to spend two percent of the average net profit of the last three financial years or any part thereof, the company should provide the reasons for not spending the amount in Board's Report-**

During the Financial Year 2019-20, Company has incurred expenditure of Rs. NIL in CSR activities. The amount of Rs. 1,08,42,000/- could not be spent due to lack of suitable CSR projects. The Company is in process of identifying the same and the amount will be spent on CSR activities as soon as possible.

7. **Responsibility Statement:**

The implementation and monitoring of Corporate Social Responsibility [CSR] Policy, is in compliance with CSR objectives and policy of the Company.

By Order of the Board of Directors

Place: Mumbai  
Date: 31st July, 2020

**Mohit P. Kaushik**  
Executive Director& CEO  
DIN: 06463483

**Mrs. Snehlata D. Sharma**  
Director  
DIN: 01854393



## ANNEXURE 'III' TO THE DIRECTORS' REPORT

### [A] DISCLOSURES REGARDING REMUNERATION REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

- i. Ratio of the remuneration of each director to the median remuneration of the employees of the Company -

Director & CEO	Ratio to median remuneration of the employees
Mohit P. Kaushik: median remuneration	1:2.04

- ii. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year –

Director - NIL

Chief Financial Officer – NIL

Company Secretary - NIL

- iii. Percentage increase in the median remuneration of employees in the financial year – NIL

- iv. Number of permanent employees on the rolls of company –

As on 31st March, 2020 there are total 169 employees on the pay roll of the Company out of which 3 are Key Managerial Personnel.

- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

There is no increase in the salaries of employees other than the managerial personnel.

- vi. Key parameters for any variable component of remuneration availed by the directors –

There are no variable components in remuneration to the Directors.

- vii. Affirmation that the remuneration is as per the remuneration policy of the company –

Yes, Affirmed.

By Order of the Board of Directors  
**For Kesar Petroproducts Limited**

Place: Mumbai  
Date: 31st July, 2020

**Mohit P. Kaushik**  
Executive Director & CEO  
DIN: 06463483

**Mrs. Snehlata D. Sharma**  
Director  
DIN: 01854393

**[B] INFORMATION AS PER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

- (i) Details of top ten employees drawing remuneration pursuant to the provisions of Rule, 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of the financial year 2019 – 2020, are as follows:

Name of the employee	Suresh Ghadge	G B Deshmukh	Rehan Alam	Manali More	Dilip Bho-sale	N K Swami	P R Sajan	B.G. Chalke	Bijay Pradan	Mohit P Kaushik	Jignesh Desai
<b>Designation of the employee</b>	Production Manager	Plant Supervisor	Plant In-charge	CFO	Instrument Incharge	Commercial Manager	Maintenance Manager	Manager Electricals	Store Incharge	Executive Director	CFO
<b>Remuneration received (Per annum)</b>	16,57,824/-	3,00,000	4,20,000	7,36,036 Up To 25.10.19	5,40,000	4,10,400	5,10,000	4,17,600	3,24,000	4,49,194	1,63,500 From 12.11.19
<b>Nature of employment, whether contractual or otherwise</b>	Service	Service	Service	Service	Service	Service	Service	Service	Service	Service	Service
<b>Qualifications and experience of the employee</b>	B Sc, Chemistry 28 Years Experience	BA, 16 Years Experience	B Tech. Instrumentation, 5 Years Experience	M.Com; 24 years experience	SSC, ITI & Instrumental Engineer, 26 years experience	M.Com; 21 years experience	SSC; 20 years experience	Diploma in Electricals; 25 years experience	B.A; 12 years experience	B.Com; 8 years experience	B.Com; 22 years experience
<b>The age of such employee</b>	50 years	44 Years	28 years	50 years	47 years	46 years	52 years	56 years	36 years	29 years	43 years
<b>The last employment held by such employee before joining the company</b>	Megha Fine Speciality Chemical Pvt. Ltd	Unilex Colours & Chemicals	RMH Control System, Chennai	Shreyas Intermediates Limited	Sudershan Chemicals Limited	Shri Hari Chemicals Export Limited	Divya Chemicals Limited	Universal Chemicals Limited	Shreyas Intermediates Limited	NIL	-
<b>The percentage of equity shares held by the employee in the company</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager.</b>	-	-	-	-	-	-	-	-	-	-	-

- (ii) There were no employees in the Company, who were in receipt of remuneration of more than one crore and two lakhs rupees in the year 2019-20 or eight lakhs and fifty thousand rupees per month if employed for a part of the financial year.

By Order of the Board of Directors  
**For Kesar Petroproducts Limited**

Place: Mumbai

Date: 31st July, 2020

**Mohit P. Kaushik**

Executive Director & CEO

DIN: 06463483

**Mrs. Snehlata D. Sharma**

Director

DIN: 01854393

# ANNEXURE 'IV' TO THE DIRECTORS' REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS

Today, we are the leading manufacturers of Phthalocyanine Blue Crude and its downstream products in India and contribute upto 15% of the entire Copper Phthalocyanine market of India. The company has a global presence in 15 countries.

The production capacity of Kesar Petroproducts in Copper Phthalocyanine Blue Crude is 1500 metric tons per month, in Alpha Blue is 200 metric tons per month and in Pigment Green 7 is 50 metric tons per month. We also plan to expand their operations in the Beta Blue market with a production capacity of 250 metric tons per month. This rapidly growth production capacity makes us one of the most progressive players in the industry.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

Chemicals are an integral part of our modern day life. There is hardly any industry where chemical substances are not used. Pigments are an integral ingredient of the chemical industry. Pigments are colouring agents that can be classified into phthalo and azzo pigments. Phthalocyanine pigments are one of the largest categories of pigments manufactured in India. Your Company is engaged in the manufacture of Phthalocyanine Blue Crude and its downstream products in India.

## OPPORTUNITIES, THREATS, RISK & CONCERNS

The global pigments industry produces hundreds of colourants for a wide spectrum of industries and consumers. The major markets are printing inks, paints and coatings, plastics, paper, ceramics, textiles, glass, food and cosmetics.

With more and more people are moving to urban areas there has been a hefty growth in the paints and coating industry. The Asia Pacific region is expected to grow as demand and production of pigment are shifting from the US, Europe and Japan to the emerging markets of Asia, especially China and India.

A steady increase in the large pigments markets such as paint and coating will catalyse volumes. With the printing ink industry also performing well, it will open up newer opportunities for the Company.

Raw material availability and their costs are always a concern. The key raw materials used in the manufacture of the pigments are derivatives of crude oil. Hence, prices of raw material vary with fluctuation in the international crude oil prices. The Company has an in built system of monitoring the inventory and logistics. Further production process of the Company is vertically integrated, where CPC Blue Crude is the primary raw material for the production of Pigment Blue. This helps the Company to manage the raw material cost. The future of pigment production is completely dependent on the ability to treat the waste water. The Company has been investing continuously in meeting its obligations towards protecting the environment. Towards this step, the company aims at providing a seamless integration of quality and schedule by ensuring timely deliveries, state-of-the-art manufacturing products, new age technology, constant innovation and economic viability.

The Audit Committee monitors the implementation of the risk mitigation plans.

## OUTLOOK

Indian economy is expected for slow revival with continued inflationary prices, rising raw material cost, depreciating rupee. The global economy shows signs of revival but with no significant upturn. Developed economies like North America and Europe which are major consumers of pigment are gradually recovering and accordingly demand for printing inks, paints and coating is expected to pick up, which will benefit the Company. The Company will continue its efforts to increase the utilization of its installed capacities, which will be crucial to achieve an improvement in the operational results.

Priority will be on the quality of the products. The disciplined focus will be cost reductions, operating efficiencies and diligent cash deployment in value creating opportunities. The Company is also taking efforts to increase the product line whereby company will be in a position to increase the margin on sales.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls commensurate with its size and business operation to ensure timely and accurate financial reporting in accordance with applicable accounting standards, safeguarding of assets against unauthorized use or disposition and compliance with all applicable regulatory laws and company policies. Internal control systems are reviewed by Audit Committee on a regular basis for its effectiveness and the necessary changes suggested are incorporated into the system. Internal Audit Reports are reviewed by the Audit Committee of the Board.

## FINANCIAL PERFORMANCE

The financial performance of the company has been discussed and disclosed in the Director's Report.

## HUMAN RESOURCES DEVELOPMENT

The Industrial relations climate of your Company continues to remain harmonious with focus on productivity, quality and safety. During the year under review, there were, no significant labour issues outstanding or remaining unresolved during the year. The Board records their appreciation of the commitment and support of the employees and looks forward to their continued support. As on 31st March 2020, the Company had 169 permanent employees.

## CAUTIONARY STATEMENT

Some of the statements in this "Management Discussion and Analysis", describing the Company's objectives, projections, estimates, expectations and predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

By Order of the Board of Directors  
**For Kesar Petroproducts Limited**

Place: Mumbai  
Date: 31st July, 2020

**Mohit P. Kaushik**  
Executive Director & CEO  
DIN: 06463483

**Mrs. Snehlata D. Sharma**  
Director  
DIN: 01854393

# ANNEXURE 'V' TO THE DIRECTORS' REPORT

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, customers, employees and ensuring a long-term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct in all the activities of the Company.

### 2. BOARD OF DIRECTORS:

#### • Composition:

The Board of Directors consisted of 4 (Four) Directors. The composition of the Board, attendance at Board Meetings held during the year and at the last Annual General Meeting, number of directorships in other companies and Chairmanship/Membership in Committees are given below:

Name of Director	Category	No. of Board Meetings Held	Attendance Particulars		No. of other Directorship(s)*	Committee Positions (Including company)**	
			Board Meeting	Last AGM		Memberships	Chairman
Mr. Mohit P. Kaushik	Executive Director & CEO	4	4	Yes	-	4	-
Mr. N. M. Sayyad @@	Independent Director	4	2	Yes	-	-	2
Mrs. Nelam Y. Arora &&	Independent Director	4	2	No	1	2	-
Mr. K. D. Fattani	Independent Director	4	4	Yes	-	-	2
Mrs. Snehlata D.Sharma	Non Executive Director	4	4	Yes	-	-	-

@@ (Resigned w.e.f 09/11/2019; && Appointed w.e.f 12/11/2019)

\*The directorship held by Directors as mentioned above do not include Directorships of Private Companies/ Foreign Companies and Section 8 Companies.

\*\*Membership/Chairmanship of only the Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies has been considered.

#### • Number and date of Board Meetings held:

During the year 2019-20, 4 (Four) Board Meetings were held on 30th May, 2019, 14th August, 2019, 12th November, 2019 and 10th February, 2020.

- **Disclosure of relationship between directors inter se:**

None of the directors of the Company are related with each other.

- **Number of shares and convertible instruments held by Non-Executive Director:**

As on 31st March, 2020, no Non-Executive Director held any share/convertible instruments in the Company.

- **Web-link where details of familiarization programmes imparted to independent Directors is disclosed:**

The details of the programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company are put up on the website of the Company at the link: <http://www.kesarpetroproducts.com>.

### 3. **AUDIT COMMITTEE:**

- **Brief description of terms of reference:**

The broad terms and reference of the Audit Committee are to review the financial statements before submission to Board, to review reports of the Internal Auditors, to review the weakness in internal controls reported by Internal and Statutory Auditors and to review the remuneration of Internal and Statutory Auditors. In addition of the above, the other powers and role of the Audit Committee are as laid down under Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.

- **Composition:**

The Audit Committee comprised of Mrs. Neelam Yashpal Arora (Appointed w.e.f 12/11/2019), Mr. Nazirsab M. Sayyad (Resigned w.e.f 09/11/2019), K. D. Fatnani, Independent Directors and Mr. Mohit P. Kaushik, Executive Director & CEO. Mr. K. D. Fatnani is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

- **Meeting and attendance during the year:**

The Audit Committee met 4 (four) times viz. on 30th May, 2019, 14th August, 2019, 12th November, 2019 and 10th February, 2020 during the year under review. The number of meetings attended by each member during the year is as follows:

Name of the member	Designation	No. of Meetings Attended
Mr. N. M. Sayyad (Resigned w.e.f 09/11/2019)	Chairperson	2
Mrs. Neelam Y. Arora (Appointed w.e.f 12/11/2019)	Member	1
Mr. K. D. Fatnani	Member / Chairman	2 2
Mr. Mohit P. Kaushik	Member	4

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

- **Brief description of terms of reference:**

The terms of reference of the Nomination and Remuneration Committee are as specified for Remuneration to the Directors under Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of Companies Act, 2013.

- **Composition:**

The Nomination and Remuneration Committee comprised of Mrs. Neelam Yashpal Arora (Appointed w.e.f 12/11/2019), Mr. Nazirsaeb M. Sayyad (Resigned w.e.f 09/11/2019), Mr. K. D. Fatnani, Independent Directors and Mrs. Snehalata D. Sharma, Non Executive Director. Mrs. Neelam Yashpal Arora is a Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

- **Meeting and attendance during the year:**

During the year under review, 4 (Four) meeting of the Committee was held on 30th May, 2019, 14th August, 2019, 12th November, 2019 and 13th January, 2020. The attendance at the Committee meeting was as follows:

Name of the member	Designation	No. of Meetings Attended
Mr. N. M. Sayyad (Resigned w.e.f 09/11/2019)	Chairperson	2
Mrs. Neelam Y. Arora (Appointed w.e.f 12/11/2019)	Member	1
Mr. K. D. Fatnani	Member / Chairman	2 4
Mr. Mohit P. Kaushik	Member	4

- **Performance evaluation criteria for Independent Directors:**

Pursuant to the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has evaluated the performances of each Independent Director. The questionnaires are prepared considering the business of the Company. The Evaluation framework for assessing the performance of Independent Directors, inter alia, comprise of the following key areas:

1. Attendance of Board and Committee Meetings;
2. Quality of contribution to Board deliberations;
3. Strategic perspectives or inputs regarding future growth of the Company and its performances;
4. Providing perspectives and feedback going beyond information provided by the management.

- **Remuneration to Directors:**

- a) The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2019-2020.
- b) Non-Executive Directors did not draw any remuneration from the Company.

- c) Details of remuneration paid to Directors during the year ended 31st March, 2020 and shares held by them on that date are as follows:

Name	Salary	Perquisites or Allowances	Contribution to PF & Others	Commission	Sitting fees	Total	Total no. of shares held
Mr. Mohit P. Kaushik	4,49,194	-	-	-	-	4,49,194	-
Mr. Nazirsaeb M. Sayyed (Resigned w.e.f 09/11/2019)	-	-	-	-	-	-	-
Mrs. Neelam Yashpal Arora (Appointed w.e.f 12/11/2019)							
Mrs. Snehtala Sharma	-	-	-	-	-	-	-
Mr. K. D. Fatnani	-	-	-	-	-	-	-

- (i) Apart from the above mentioned remuneration paid, there are no other fixed component and performance linked incentives based on the performance criteria;
- (ii) The tenure of office of the Executive Director is for three years from the date of appointment, and can be terminated by either party by giving one months' notice in writing. There is no separate provision for payment of severance fees.
- (iii) There are no stock options offered to the any Directors of the Company.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

### • Composition:

The Stakeholders' Relationship Committee comprises of Mrs. Neelam Yashpal Arora (Appointed w.e.f 12/11/2019), Mr. Nazirsaeb M. Sayyad (Resigned w.e.f 09/11/2019), Mr. K. D. Fatnani, Independent Directors and Mr. Mohit P. Kaushik, Executive Director & CEO.

Mrs. Sneh Lata Sharma is a Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

Address and contact details of Compliance Officer for investors are:

Name and designation of Compliance Officer: Mr. Vinjamuri Govindraja Chari, Company Secretary and Compliance Officer

Address : D-7/1, M.I.D.C., Lote Parshuram, Ratnagiri-415722

Phone : 02356-272339

Email :info@kesarpetroproducts.com

Status of investors' complaints/services requests:

At the beginning of the year	Received during the year	Resolved during the year	Pending at the ending of the year
NIL	-6-	-6-	NIL



- Meeting and attendance during the year:**

During the year under review, 4 (Four) meetings of the Committee were held on 30th May, 2019, 14th August, 2019, 12th November, 2019 and 10th February, 2020. The attendance at the Committee meeting was as follows:

Name of the member	Designation	No. of Meetings Attended
Mr. N.M. Sayyad (Resigned w.e.f 09/11/2019)	Chairperson	2
Mrs. Neelam Yashpal Arora (Appointed w.e.f 12/11/2019)	Member	1
Mr. K. D. Fatnani	Member/ Chairperson	2 2
Mr. Mohit Kaushik	Member	4

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee comprises of Mrs. Neelam Yashpal Arora (Appointed w.e.f 12/11/2019), Mr. Nazirsaeb M. Sayyad (Resigned w.e.f 09/11/2019), Mr. K. D. Fatnani, Independent Directors and Mr. Mohit P. Kaushik, Executive Director & CEO. Mrs. Neelam Yashpal Arora is a Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

During the year, the CSR Committee met on 30th May, 2019. All the members of the Committee were present at the meeting.

## 7. GENERAL BODY MEETINGS:

- Location and time, where last three Annual General Meetings (AGM) held:**

Financial year	Time	Date	Location	Special resolutions passed
2016-17	11.00 a.m.	28.09.2017	D-7/1, M.I.D.C., Lote Parshuram, Taluka Khed, District Ratnagiri. (Regd. Office)	No special resolution was passed
2017-18	11.00 a.m.	28.09.2018	Regd. Office	Special resolution to provide loan, guarantee or security or investment as per Section 186 of the Companies Act, 2013 was passed
2018-19	01.00 p.m.	30.09.2019	Regd. Office	No special resolution was passed

No Extra Ordinary General Meeting of the Company was held during the year under review.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

## 8. MEANS OF COMMUNICATION:

The Company's has published its quarterly/half yearly/Annual results in newspaper i.e. Business Standard and Daily Sagar.

Website: The Company's website ([www.kesarpetroproducts.com](http://www.kesarpetroproducts.com)) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

New releases, presentations, among others: All Corporate Announcements made to the Stock Exchanges during the year 2019-20 are be made available on the website of the Company.

## 9. GENERAL SHAREHOLDER INFORMATION:

- a. Annual General Meeting: Wednesday, 30th day of September, 2020 at 01.00 p.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM).
- b. Financial Year: 1st April to March 31st
- c. Date of Book Closure: Thursday, the 24th September, 2020 to Wednesday, the 30th September, 2020 (both days inclusive)
- d. Cut-off date for remote e-voting: The remote e-voting / voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. Wednesday, the 23rd day of September, 2020.
- e. Dividend Payment Date: N.A.
- f. Name and address of the Stock Exchanges at which the Company's securities are listed and confirmation about payment of listing fees: The equity shares of the Company are listed on BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001. The Company has paid the listing fees for the year 2019-20 to the stock exchange where the shares are listed.
- g. Stock Code: BSE: 524174; ISIN: INE133C01033
- h. Stock Market Price Data And Performance Comparison With BSE Sensex:

The monthly high/low of market price of shares traded on the BSE Limited and performance comparison with BSE Sensex, Mumbai are as follows:

Month	Stock Open Price	Stock High Price	Stock Low Price	Stock Close Price	Sensex Close
Apr 19	10.25	10.25	7.71	8.43	39031.55
May 19	8.33	9.86	7.85	8.42	39714.2
Jun 19	8.15	8.45	6.52	6.86	39394.64
Jul 19	7	8.35	5	5.82	37481.12
Aug 19	6.1	7.5	5.3	5.65	37332.79
Sep 19	5.4	6.95	4.9	5.82	38667.33
Oct 19	5.98	6.75	4.4	6.55	40129.05
Nov 19	6.98	7.5	5.3	5.94	40793.81
Dec 19	5.71	6.1	4.86	5.33	41253.74
Jan 20	5.58	6.72	5.25	6.17	40723.49
Feb 20	6.38	6.38	4.56	4.63	38297.29
Mar 20	4.63	4.85	2.45	2.72	29468.49

- i. Trading of Securities: The securities of the Company are not suspended from trading during the year 2019-20.
- j. Registrar and Share Transfer Agents:  
Link Intime India Private Limited  
C-101, 247 Park, L.B.S Marg,  
Vikroli (West), Mumbai 400083  
Tel: +91 22 49186000  
Fax: +91 22 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

k. Share Transfer System:

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agent (RTA) within 15 days of the lodgment, if documents, are found in order. However as on 31st March, 2020 one request for share transfer involving 10 shares was executed beyond thirty days due to processing delay. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

l. Distribution of Shareholding as at 31st March, 2020:

Shareholding Of Nominal Shares	Shareholder	Percentage of Total	Total shares	Percentage of Total
1-500	31901	83.3229	2852165	2.9503
501-1000	2658	6.9425	2249432	2.3268
1001-2000	1641	4.2862	2590294	2.6794
2001-3000	673	1.7578	1758668	1.8192
3001-4000	281	0.7339	1022902	1.0581
4001-5000	298	0.7784	1422152	1.4711
5001-10000	432	1.1283	3231428	3.3426
10001 and above	402	1.0500	81546129	84.3524
<b>Total</b>	<b>38286</b>	<b>100.000</b>	<b>96673170</b>	<b>100.000</b>

m. Dematerialization of Shares:

As on 31st March, 2020, 94.32% of the total shares of the Company were in dematerialized form.

n. Convertible instruments:

The Company has no convertible securities outstanding as on 31st March, 2020.

The Company has not issued any ADRs, GDRs, or any other convertible instruments during the financial year ended 31st March, 2020.

o. Commodity Price risk or foreign exchange risk and hedging activities:

The Company did not engage in Commodity, foreign exchange risk and hedging activities during the year.

p. Plant Location: D-7/1 ,M.I.D.C., Lote Parshuram, Taluka Khed, District Ratnagiri, Maharashtra.

q. Regd. Office &Address for Investors' Correspondence:

Kesar Petroproducts Limited,  
D-7/1,MIDC Lote Parshuram, Taluka Khed,  
Ratnagiri-415722  
Phone : 02356-272339  
Email : info@kesarpertoproducts.com  
Website: www.kesarpetroproducts.com

Link Intime India Private Limited  
C-101, 247 Park, L.B.S Marg,  
Vikroli (West), Mumbai 400083  
Tel: +91 22 49186000  
Fax: +91 22 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## 9. DISCLOSURES:

### a) Related party transactions:

During the year under review, there were no material transactions with related parties that may have potential conflict with the interest of the Company at large. The policy on dealing with Related Party Transaction is be made available on Company's website at [www.kesarpetroproducts.comunderInvestorRelationSection](http://www.kesarpetroproducts.comunderInvestorRelationSection).

### b) Compliance by the Company:

The Company has complied with all the requirements of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 entered into with the Stock Exchange. There were no penalties or strictures imposed on the Company by the Stock Exchange, SEBI or other statutory authorities for non-compliances of any matter related with capital market during the last three years except as disclosed hereunder:

1. The company has submitted Statement of Investor complaints for the quarter ended September 2019 after due date as per the provisions of Regulation 13(3) SEBI (LODR) Regulations. For which BSE Ltd imposed a fine of Rs. 1,180/- on the company and the fine is duly paid.
2. The SEBI has Vide ADJUDICATION ORDER NO: Order/KS/VC/2019-20/6662) imposed a penalty of Rs. 9,50,000/- (Rs. Nine Lakh Fifty Thousand Only) on 3 persons of the promoter group for violating the provisions of Section 23E of SCR Act, Section 23H of SCR Act and Section 15HB of SEBI Act. The Company and the promoters have filed an appeal before the Securities Appellate Tribunal.

### c) Whistle-Blower Policy/Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. We affirm that during the financial year 2019-20, no employee was denied access to the Audit Committee.

### d) Details of Compliance with mandatory requirements and adoption of non mandatory requirements:

The Company has complied with all mandatory requirements of Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant section of this report.

### e) Material Subsidiaries:

The Company does not have any subsidiary.

#### **10. Compliance of the requirement of Corporate Governance Report:**

The Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### **11. Discretionary Requirements as specified in Part E of Schedule II:**

The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

- (a) Audit Qualification - The Company is in the regime of unqualified financial statements.
- (b) Reporting of Internal Auditor – The Internal Auditor directly reports to the Audit Committee.

#### **12. Disclosure of the Compliance with Corporate Governance**

The Company has complied with the Regulations 17 to 20, 22, 23, 25 to 27 and Clauses (b) and (i) sub-regulations 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the year 2019-20, whenever applicable. Regulations 21 and 24 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

#### **13. Disclosure of Accounting treatment:**

In the preparation of the financial statement, the Company has followed accounting standards issued by Institute of the Chartered Accountants of India to the extent applicable.

#### **14. Related Party Disclosures:**

The disclosures as required by Accounting Standard (AS-18) on "Related Party" are given in appended financial statements under notes to accounts.

#### **15. Disclosure with respect to demat suspense account/unclaimed suspense account:**

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2020. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

#### **16. Compliance Certificate by Auditors:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is annexed herewith and forming part of Annual Report.

#### **17. Compliance Certificate for Code of Conduct:**

The declaration by Executive Director & CEO affirming compliance of Board and Senior Management Personnel to the Code is also annexed herewith and forming part of Annual Report as per Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

By Order of the Board of Directors  
**For Kesar Petroproducts Limited**

Place: Mumbai  
Date: 31st July, 2020

**Mohit P. Kaushik**  
Executive Director & CEO  
DIN: 06463483

**Mrs. Snehlata D. Sharma**  
Director  
DIN: 01854393

## ANNEXURE 'VI' TO THE DIRECTORS' REPORT

### Declaration – Code of Conduct

As per the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct during the year ended 31st March, 2020.

By Order of the Board of Directors  
For Kesar Petroproducts Limited

Mohit P. Kaushik  
Executive Director & CEO  
DIN: 06463483

Place: Mumbai  
Date: 31st July, 2020

## ANNEXURE 'VII' TO THE BOARD'S REPORT

### PRACTICING COMPANY SECRETARY'S CERTIFICATE UNDER SUB-PARA 10(i) OF PART C OF SCHEDULE V OF SEBI (LODR), REGULATIONS, 2015

To,  
The Members  
Kesar Petroproducts Limited

I, Shri. Pankaj S. Desai, Practicing Company Secretary, hereby certify that I have examined and verified the records, books and papers of the Company KESAR PETROPRODUCTS LIMITED as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder, as regards the Directors of the Company for the Financial Year ended on 31st March, 2020.

I further certify that based on the examinations carried out by me and the explanations and representations furnished to me by the said Company, its officers and agents, none of the following Directors of the Company:

Sr. No.	Name of the Director	DIN	Category
1	Mrs. Neelam Yashpal Arora	01603068	Independent Director
2.	Mrs. Snehalata D. Sharma	01854393	Non-Executive
3	Mr. Mohit P. Kaushik	06463483	Executive Director
4	Mr. Kanayo Dayaram Fatnani	07818627	Independent Director

have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI or Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2020.

SD/-

**Pankaj S. Desai**

Practicing Company Secretary:

ACS No.: 3398

C.P.No.: 4098

Place: Mumbai  
Date: 31st July, 2020

# ANNEXURE 'VIII' TO THE DIRECTORS' REPORT

## AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,  
The Members of Kesar Petroproducts Limited,

We have examined the compliance of the conditions of Corporate Governance by Kesar Petroproducts Limited ('The Company'), for the year ended on March 31, 2020, as stipulated in:

Regulations 17 to 27 and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation there of adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accounts of India.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by Directors and the Management we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable during the year ended March 31, 2020.

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

**FOR A. SACHDEV & CO.**  
CHARTERED ACCOUNTANTS  
FRN: 001307C

**MANISH AGARWAL**  
PARTNER  
M.NO.078628

PLACE: MUMBAI  
DATE: 31<sup>ST</sup> JULY, 2020

## ANNEXURE 'IX'

### SECRETARIAL COMPLIANCE CERTIFICATE BY COMPANY SECRETARY IN PRACTICE

I have examined:

- all the documents and records made available to us and explanation provided by **KESAR PETROPRODUCTS LTD.** ("the listed entity"),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2020 in respect of compliance with the provisions of :

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- **(No instances for compliance requirements during the year);**
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- **(No instances for compliance requirements during the year);**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **(No instances for compliance requirements during the year);**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 **(No instances for compliance requirements during the year);**
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Listing Obligations and Disclosure Requirements Regulations, 2015	The Company does not updated website with required information	Corrective action should be taken by company immediately
2.	{SEBI (LODR) REG} – by BSE	The Company's non-compliance reg. appointment of Company Secretary (in part)	The Company has paid the fine to BSE as confirmed by the management.



- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	BSE LTD	The company has subm Investor complaints) for the quarter ended September 2019 after due date as per the the provisions of Regulation 13(3) SEBI (LODR) Regulations. itted Statement of	BSE Ltd has imposed a Fine of Rs. 1180/-	The Company has paid the fine to BSE as confirmed by the management.
2.	SEBI	The non-compliance of the SAST Regulations, by its Order dated 9th March, 2020As per order number: WTM/GM/CFD/77/2019–20.	Shreyas Dinesh Sharma [PAN:BHDPS9985D], Shruti Dinesh Sharma [PAN:DRKPS7975C], Dinesh Sharma [PAN:ABIPS9306E], Dinesh Sharma HUF [PAN: AAFHD3451H] and Shankarlal Sharma [PAN: AHZPS4363E] shall not access the securities market or buy, sell or otherwise deal in the securities market, either directly or indirectly for a period of one year from the date of this Order.	
3.	SEBI	Notice for his violations Penal Provisions 1. Section 23E of SCR Act 2. Section 23H of SCR Act 3. Section 15HB of SEBI Act Vide ADJUDICATION ORDER NO: Order/KS/VC/2019-20/6662)	Imposed a penalty of Rs. 9,50,000 (Rs. Nine Lakh Fifty Thousand only)	The Company and the said persons have informed that they are filing an appeal before the Securities Appellate Tribunal.

- d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... (The years are to be mentioned)	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

**For Pankaj & Associates**

**Name of Practicing Company Secretary: Pankaj S. Desai**

ACS No.: 3398

C. P. No.: 4098

**UDIN: A003398B000523819**

Place: Mumbai

Date: 30.07.2020

# ANNEXURE 'X'

## SECRETARIAL AUDIT REPORT BY COMPANY SECRETARY IN PRACTICE

### Form No. MR-3

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

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2020

To,  
The Members,  
Kesar Petroproducts Limited,

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

Based on our verification of the Kesar Petroproducts Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Kesar Petroproducts Limited ("the Company") for the financial year ended on 31st March, 2020 according to the provisions of:

The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable and**

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- **Not Applicable**
- (i) As informed and certified by the management the following are the laws applicable specifically to the Company as per its business activity:
- Factories Act, 1948;
  - Industrial Disputes Act, 1947;
  - The Minimum Wages Act, 1948;
  - Boiler Act 1923 and Maharashtra Boiler Rules, 1962
  - The Industrial Employment (Standing Order) Act, 1946;
  - The Child Labour (Prohibition and Regulation) Act, 1986;
  - The Maternity Benefit Act, 1961;
  - The Environment (Protection) Act, 1986;
  - Water (Prevention and Control of Pollution) Act, 1974;
  - Air (Prevention and Control of Pollution) Act, 1981;
  - Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
  - The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
  - The Payment of Gratuity Act, 1972;
  - The Payment of Bonus Act, 1965;
  - The Central Sales Tax Act, 1956 & other applicable state Sales Tax Acts;
  - The Professional Tax Act, 1975;
  - The Income Tax Act, 1961;
  - The Finance Act, 1994 (Service Tax);
  - Central Excise and Customs Act;
  - Standard of Weight And Measures Act, 1976;
  - Essential Commodities Act, 1955;
  - Explosive Act 1884;
  - Explosive Substance Act, 1908;
  - The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013;
  - Maharashtra Shops and Establishments Act, 1948.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have relied on the representations made by the Company and its Officers for the system and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, clauses, Standards, etc. mentioned above subject to the following **OBSERVATIONS**:

1. **During the period Form IEPF-2 was filed with Register of Companies after Due date.**
2. **The Company does not updated its website with required information.**
3. **The company has submitted Statement of Investor complaints) for the quarter ended September 2019 after due date as per the the provisions of Regulation 13(3) SEBI (LODR) Regulations. :- BSE Ltd has imposed a Fine of Rs. 1180/- - the Fine has been paid by the company as confirmed by the management.**
4. **BSE has imposed a penalty as a Fine on the Company in respect of part of the previous year for not appointing a Company Secretary – the Fine has been paid by the company as confirmed by the management**
5. **SEBI has, with regard to the non-compliance of the SAST Regulations, by its Order dated 9th March, 2020, restrained the 6 notices mentioned therein (Promoters) from accessing / trading / buying / selling on the capital / securities markets for a period of one year from 9th March, 2020.**

6. **SEBI, by its Order dated 30th January, 2020, imposed fines of Rs. 9,50,000/- respectively. The Company and the said persons have informed that they are filing an appeal before the Securities Appellate Tribunal.**

**We further report that**

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

**We also report that** as regards the provisions of notices of board meeting, sending of agenda papers, holding of board meetings as laid down in the Act, are concerned, they are strictly and properly followed by the company.

Majority decisions are carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**We further report that** during the audit period there were no major specific events / actions, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards.

SD/-

Signature:

**Name of the Company Secretary: Pankaj S Desai**

ACS No.:3398

C.P. No.:4098

UDIN No: A003398B000524371

Place:- Mumbai

Date:- 31/07/2020

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

## Annexure I

### (Integral part of Secretarial Audit Report)

To,  
The Members,  
Kesar Petroproducts Limited,

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

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

SD/-  
Signature:

**Name of the Company Secretary: Pankaj S Desai**

ACS No.:3398

C.P. No.:4098

UDIN No: A003398B000524371

Place:- Mumbai

Date:- 31/07/2020

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF KESAR PETROPRODUCTS LIMITED

### Opinion

We have audited the accompanying financial statements of KESAR PETROPRODUCTS LIMITED ('the Company'), which comprise the balance sheet as at 31st March 2020, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind As, of the state of affairs (financial position) of the company as at 31st March 2020, and its profit (financial performance including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.

### Basis of Opinion

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

### Key Audit Matters

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

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director Report and Corporate Governance Report but does not include the Financial Statements and our auditor's report thereon

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

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

When we read the other information, if we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

A further description of our responsibilities for the audit of the Financial Statements is included in Appendix -1 of this auditor's report.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.;
  - (d) in our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) on the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and



(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The company has no pending litigation which would impact its financial position except those disclosed in financial statements;
- ii. The company did not have any long-term contract including derivative contract for which there were any material foreseeable losses;
- iii. There were no amounts which were required by the company to be transferred to the Investor Education and Protection Fund, and;

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure B, a statement on the matters specified in the paragraph 3 and 4 of the Order.

**For A Sachdev & Co.**

Chartered Accountants

(Firm's Registration No. 001307C)

**CA Manish Agarwal**

(Partner)

(M.No. 078628)

Place: Mumbai

Date: 31<sup>st</sup> July, 2020

UDIN:-20078628AAAAFQ8688

## APPENDIX-1

(Referred to in 'Auditor's Responsibilities for the Audit of the Financial Statements paragraph of the independent Auditor's Report)

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

Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls with reference to Financial Statements in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For A Sachdev & Co.**

(Partner)

(Firm's Registration No. 001307C)

**CA Manish Agarwal**

Chartered Accountants

(M.No. 078628)

Place: Mumbai

Date: 31<sup>st</sup> July, 2020

UDIN:-20078628AAAAFQ8688

# ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **KESAR PETROPRODUCTS LIMITED** of even date)

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

We have audited the internal financial controls over financial reporting of **KESAR PETROPRODUCTS LIMITED** (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

### **Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **For A Sachdev & Co.**

Chartered Accountants

(Firm's Registration No. 001307C)

#### **CA Manish Agarwal**

(Partner)

(M.No. 078628)

Place: Mumbai

Date: 31<sup>st</sup> July, 2020

UDIN:-20078628AAAFQ8688

## Annexure 'B' to the Independent Auditor's Report of KESAR PETROPRODUCTS LIMITED for the Year ended as on 31st March 2020

Annexure referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date:-

- i. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;  
b) According to the information and explanations given to us, the Fixed Assets have been physically verified by the management at regular intervals and no material discrepancies were noticed on such verification  
c) The title deeds of immoveable properties are held in the name of the company.
- ii. The inventories have been physically verified by the management during the year at reasonable interval. According to information & explanations given to us, the discrepancies noticed on verification between the physical stock and books record, have been properly dealt with in the Books of accounts.
- iii. According to information & explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liabilities partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, reporting under clause (a) to (c) of Para 3(iii) are not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and securities, which attracts compliance to the provisions of the sections 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the company.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted deposits in terms of the provisions of section 73 to 76 of the Companies Act, 2013 and rules framed there under. Therefore, the paragraph 3(v) of the Order is not applicable to the company.
- vi. We have reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records u/s 148(1) of the Companies Act 2013 in relation to products manufactured and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31st March 2020, there are no undisputed statutory dues payables for period exceeding more than six month from the date they become payable.  
b) According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc. on account of any dispute.
- viii. During the year the company has not defaulted in repayment of loans or borrowings to the banks. The company has not taken any loan or borrowings from any financial institution or Government. The company has not issued debentures.
- ix. Money raised by way of term loan were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer.
- x. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the company noticed or reported during the period under audit.
- xi. In our opinion, the managerial remuneration paid or provided by the company is in accordance with the provision of section 197 read with Schedule V of the Companies Act 2013.

- xii. The company is not a Nidhi Company, therefore para 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information provided to use, the transaction entered with the related parties are in compliance with section 177 and 188 of the Act and are disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information provided to us, the company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information provided to us, the company has not entered into any non-cash transaction with directors or the persons connected with him covered under section 192 of the Companies Act 2013. Therefore, paragraph 3(xv) of the Order is not applicable to the company.
- xvi. According to the information provided to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable to the company.

**For A Sachdev & Co.**

Chartered Accountants

(Firm's Registration No. 001307C)

**CA Manish Agarwal**

(Partner)

(M.No. 078628)

Place: Mumbai

Date: 31<sup>st</sup> July, 2020

UDIN:-20078628AAAFQ8688

# **BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

PARTICULARS			NOTE NO.	AS AT 31.03.2020		AS AT 31.03.2019	
ASSETS							
I).	Non Current Assets						
	(a)	Property, Plant and Equipment Assets	1	41,16,63,111		42,50,99,690	
	(b)	Capital Work-In-Progress	1	13,39,81,295		13,21,75,205	
	(c)	Intangible Assets Under Development	1	9,50,000		5,70,000	
	(d)	Deferred Tax Assets (Net)	2	13,55,025		5,01,105	
	(e)	Long-Term Loans and Advances	3	99,81,491		1,34,30,202	
	(f)	Other Non-Current Assets	4	9,44,04,330		12,49,69,722	
	Total non-current assets				65,23,35,251		69,67,45,924
II).	Current Assets						
	(a)	Current Investments	5	29,88,19,023		8,40,06,250	
	(b)	Inventories	6	19,99,75,514		22,87,03,250	
	(c)	Trade Receivables	7	25,55,80,460		21,97,83,597	
	(d)	Cash and Cash Equivalents	8	8,37,47,044		(85,60,674)	
	(e)	Short-Term Loans & Advances and Deposits	9	3,09,78,241		25,17,61,879	
	Total current assets				86,91,00,282		77,56,94,303
TOTAL ASSETS					1,52,14,35,533		1,47,24,40,227
EQUITY & LIABILITIES							
III).	Equity						
	(a)	Equity Share Capital	10	9,66,73,170		9,66,73,170	
	(b)	Other Equity	11	1,06,18,48,787		1,08,79,83,794	
	Total Equity				1,15,85,21,957		1,18,46,56,964
IV).	Non-current liabilities						
	(a)	Financial Liabilities					
	(i).	Borrowings	12	32,20,731		50,29,691	
	(b)	Deffered Tax Liabilites (Net)	2	-		-	
	(c)	Other Long Term Liabilites		-		-	
	(d)	Long-Term Provisions		-		-	
	Total Non-current liabilities				32,20,731		50,29,691
V).	Current liabilities						
	(a)	Financial Liabilities					
	(i)	Borrowings	13	8,01,39,409		7,05,03,323	
	(b)	Trade Payables	14	25,85,10,161		19,30,36,586	
	(c)	Other Current Liabilites	15	1,82,09,928		1,83,80,316	
	(d)	Short-Term Provisions	16	28,33,347		8,33,347	
	Total current liabilities				35,96,92,845		28,27,53,572
The above standalone balance sheet should be read in conjunction with the accompanying notes.							
TOTAL LIABILITIES					1,52,14,35,533		1,47,24,40,227

The accompanying Notes are an integral part of the financial statements

As per my report of even date

For and on behalf of the Board of Directors

**For A Sachdev & Co**  
**Chartered Accountants**

Executive Director & CEO  
Mohit Kaushik

Executive Director  
Snehlata Sharma

**CA Manish Agarwal**

Company Secretary

Chief Financial Officer

**Partner**

Dr.V.G.Chari

Jignesh Desai

Membership No. :078628

Firm Regn. No. :001307C

Place: Mumbai

Dated : 31<sup>st</sup> July, 2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
<b>INCOME</b>			
Revenue from Operations	17	1,29,78,78,745	1,54,74,19,606
Other Income	18	96,26,024	1,41,18,011
<b>Total Revenue</b>		<b>1,30,75,04,769</b>	<b>1,56,15,37,617</b>
<b>EXPENDITURE</b>			
Cost of Materials Consumed	19	1,04,30,95,471	1,24,95,98,122
Changes in inventories of Finished Goods,	20	(67,43,721)	26,43,224
Work-in-Process and Stock-in-Trade			
Employee Benefits Expense	21	6,06,27,447	6,01,09,105
Finance Costs	22	90,33,337	1,09,51,775
Depreciation and Amortisation Expense	23	5,08,80,151	4,74,09,859
Other Expenses	24	17,71,11,554	18,70,40,687
<b>Total Expenses</b>		<b>1,33,40,04,238</b>	<b>1,55,77,52,772</b>
<b>Profit/Loss before exceptional items &amp; tax</b>		<b>(2,64,99,469)</b>	<b>37,84,845</b>
Exceptional items	25	(4,89,458)	(4,91,208)
<b>Profit Before Tax</b>		<b>(2,69,88,927)</b>	<b>32,93,637</b>
Tax Expense:			
Current Tax		-	(69,93,974)
Deferred Tax (Cr)		8,53,920	5,37,630
<b>Profit for the year after Tax</b>		<b>0</b>	<b>(31,62,707)</b>
<b>Earnings Per Equity Share - Basic &amp; Diluted</b>		<b>(0.27)</b>	<b>(0.03)</b>

The above standalone balance sheet should be read in conjunction with the accompanying notes.

The accompanying Notes are an integral part of the financial statements

As per my report of even date

**For A Sachdev & Co**  
**Chartered Accountants**

**CA Manish Agarwal**  
**Partner**

Membership No. :078628  
Firm Regn. No. :001307C  
Place: Mumbai  
Dated : 31<sup>st</sup> July, 2020

For and on behalf of the Board of Directors

Executive Director & CEO  
Mohit Kaushik

Company Secretary  
Dr.V.G.Chari

Executive Director  
Snehlata Sharma

Chief Financial Officer  
Jignesh Desai



### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

PARTICULARS		AS AT 31.03.2020		AS AT 31.03.2019	
CASH FLOW FROM OPERATING ACTIVITIES					
	Net Profit/(Loss) before Tax & Extraordinary Items		(2,64,99,469)		37,84,845
	Adjustments for:				
	Depreciation & Amortizations	5,03,90,693		4,69,18,648	
	Other Non Operating Income	(96,26,024)		(1,41,18,011)	
	Interest and Finance Charges	55,91,926	4,63,56,595	82,98,941	4,10,99,578
	Operating Profit before Working Capital Change		1,98,57,126		4,48,84,423
	(Increase)/Decrease in Current Assets	21,37,14,512		8,37,88,743	
	Increase/(Decrease) in Current Liabilities	6,73,03,187	28,10,17,699	(13,52,46,653)	(5,14,57,911)
	CASH GENERATED FROM OPERATIONS		30,08,74,825		(65,73,488)
	Income Tax Paid		-		(69,93,974)
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		30,08,74,825		(1,35,67,462)
CASH FLOW FROM INVESTING ACTIVITIES					
	Addition to Fixed Assets		(90,64,269)		(5,55,38,762)
	Increase In Investment		(21,48,12,773)		(2,97,08,996)
	(Increase)/Decrease in Non Current Assets		-		(1,98,71,640)
	Other Non Operating Income		96,26,024		1,41,18,011
	Interest Paid		(55,91,926)		(82,98,941)
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(21,98,42,944)		(9,93,00,328)
CASH FLOW FROM FINANCING ACTIVITIES					
	Increase/(Decrease) in Borrowing		78,27,127		7,12,41,111
	(Increase) / Decrease in Long Term Loans & Advances		34,48,711		(1,32,51,728)
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)		1,12,75,838		5,79,89,383
Net (increase/decrease) in Cash & Cash Equivalents (A + B + C)			9,23,07,718		(5,48,78,407)
Cash & Cash Equivalent as on 01st April			(85,60,674)		4,63,17,733
Cash & Cash Equivalent as on 31st March			8,37,47,044		(85,60,674)

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

As per my report of even date

**For A Sachdev & Co**  
**Chartered Accountants**

**CA Manish Agarwal**  
**Partner**

Membership No. :078628  
Firm Regn. No. :001307C  
Place: Mumbai  
Dated : 31<sup>st</sup> July, 2020

For and on behalf of the Board of Directors

Executive Director & CEO  
Mohit Kaushik

Company Secretary  
Dr.V.G.Chari

Executive Director  
Snehlata Sharma

Chief Financial Officer  
Jignesh Desai

**Note 1 - PROPERTY, PLANT AND EQUIPMENT (AT COST) AS AT 31<sup>ST</sup> MARCH 2020**

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 01/04/2019	Addition during the year	As at 31/03/2020	As at 01/04/2019	For the year	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
<b>Tangible Assets</b>								
Building - Non Plant	3,21,76,620	-	3,21,76,620	37,37,396	5,08,390	42,45,786	2,79,30,834	2,84,39,224
Building - Plant	9,88,21,909	3,42,200	9,91,64,109	1,72,16,497	31,17,744	2,03,34,241	7,88,29,868	8,16,05,412
Factory & Office Equipment	75,55,894	11,48,836	87,04,730	21,10,996	12,41,643	33,52,639	53,52,091	54,44,898
Furniture, Fixture & Fittings	2,00,53,744	-	2,00,53,744	33,36,700	15,07,133	48,43,833	1,52,09,911	1,67,17,044
Land (Lease Hold)	15,62,08,800	-	15,62,08,800	1,48,053	1,35,039	2,83,092	15,59,25,708	15,60,60,747
Laptop & Computer System	7,99,246	1,23,009	9,22,255	5,48,430	2,74,371	8,22,801	99,455	2,50,817
Plant & Machinery	19,26,73,053	52,64,134	19,79,37,188	6,24,09,587	1,18,80,269	7,42,89,855	12,36,47,333	13,02,63,467
Vehicles	98,68,645	-	98,68,645	35,50,563	16,50,170	52,00,733	46,67,912	63,18,082
Total Tangible Assets (A)	51,81,57,912	68,78,179	52,50,36,091	9,30,58,222	2,03,14,759	11,33,72,981	41,16,63,111	42,50,99,690
<b>Intangible Assets</b>								
Capital WIP	13,21,75,205	18,06,090	13,39,81,295	-	-	-	13,39,81,295	13,21,75,205
Intangible Capital WIP	5,70,000	3,80,000	9,50,000	-	-	-	9,50,000	5,70,000
Total Intangible Assets (B)	13,27,45,205	21,86,090	13,49,31,295	-	-	-	13,49,31,295	13,27,45,205
Total Assets ( A + B )	65,09,03,117	90,64,269	65,99,67,387	9,30,58,222	2,03,14,759	11,33,72,981	54,65,94,406	55,78,44,895

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Note No.	Particulars	AS AT 31.03.2020		AS AT 31.03.2019	
<b>2</b>	<b>DEFERRED TAX ASSET</b>				
	On account of difference in depreciation as per books and income tax		13,55,025		5,01,105
	<b>Total</b>		<b>13,55,025</b>		<b>5,01,105</b>
<b>3</b>	<b>LONG TERM LOANS AND ADVANCES</b>				
	Balance with Government Authorities		13,93,281		35,14,653
	Other Loans & Advances		85,88,210		99,15,549
	<b>Total</b>		<b>99,81,491</b>		<b>1,34,30,202</b>
<b>4</b>	<b>OTHER NON CURRENT ASSETS</b>				
	Unamortized Expenses		9,44,04,330		12,49,69,722
	<b>Total</b>		<b>9,44,04,330</b>		<b>12,49,69,722</b>
<b>5</b>	<b>CURRENT INVESTMENTS</b>				
	Bank Deposit Receipts		7,24,31,523		7,05,00,000
	Mutual Funds - Unquoted (Fair value through Profit & Loss)		1,28,87,500		1,35,06,250
	Quoted Equity Instruments		21,35,00,000		-
	<b>Total</b>		<b>29,88,19,023</b>		<b>8,40,06,250</b>
<b>5.1</b>	Quoted Equity Instrument comprise of 2,62,50,000 unlisted equity shares of Shreyas Intermediates Limited for Rs. 10/- each, allotted on 10th February 2020 pursuant to the directions of scheme of arrangement sanctioned and approved by the honourable National Company Law Tribunal, Mumbai bench bearing SNo: CP(CAA) 100/230-232 NCLT MB MAH 2018 dated 03/09/2018. The listing of the above shares remain under process with the Bombay Stock Exchange.				
<b>6</b>	<b>INVENTORIES</b>				
	(As cerified & valued by the management)				
	Raw Materials including Stores & Spares		6,20,24,832		9,74,96,289
	Work In Process		1,29,39,577		2,81,94,925
	Finished Goods		12,50,11,105		10,30,12,036
	<b>Total</b>		<b>19,99,75,514</b>		<b>22,87,03,250</b>
<b>7</b>	<b>TRADE RECEIVABLES</b>				
	Outstanding for more than 6 months from due date		18,26,226		22,28,679
	Outstanding for less than 6 months from due date		25,37,54,234		21,75,54,918
	<b>Total</b>		<b>25,55,80,460</b>		<b>21,97,83,597</b>
<b>8</b>	<b>CASH AND CASH EQUIVALENTS</b>				
	Balance with Banks in Current Accounts:		8,36,39,133		(88,10,709)
	Cash on Hand		1,07,911		2,50,035
	<b>Total</b>		<b>8,37,47,044</b>		<b>(85,60,674)</b>
<b>9</b>	<b>SHORT TERM LOANS &amp; ADVANCES AND DEPOSITS</b>				
	Others Loans & Advances Recoverable		3,09,78,241		25,17,61,879
	<b>Total</b>		<b>3,09,78,241</b>		<b>25,17,61,879</b>

Note No.	Particulars	AS AT 31.03.2020		AS AT 31.03.2019	
10	EQUITY SHARE CAPITAL				
	AUTHORISED SHARE CAPITAL:				
	35,00,00,000 Equity shares of Re. 1/- each		35,00,00,000		35,00,00,000
	(PY 35,00,00,000 Equity shares of Re.1/- each)				
	ISSUED, SUBSCRIBED & PAID UP				
	9,66,73,170 Equity Shares of Re. 1/- each fully paid up		9,66,73,170		9,66,73,170
	(Previous Year 9,66,73,170 Equity Shares of Re.1/- each fully paid up)				
	Total		9,66,73,170		9,66,73,170
10.1	Terms/ rights attached to equity shares The company has only one class of equity shares having par value Rs. 1/- per share. Each holder of equity shares is entitled to one vote per share				
10.2	Reconciliation of No of shares outstanding is given below:-				
	Equity Shares at the beginning of the year		9,66,73,170		9,66,73,170
	Add: Shares issued during the year	-		-	
	Less: Shares forfeited during the year	-	-	-	-
	Equity shares at the end of the year		9,66,73,170		9,66,73,170
11	OTHER EQUITY				
	Capital Subsidy from SICOM		30,00,000		30,00,000
	Securities Premium		11,76,00,000		11,76,00,000
	Profit & Loss Account				
	As per last Balance Sheet	68,67,27,534		68,98,90,241	
	Add/(Less): Deferred Tax Assets/Liabilities	8,53,920		5,37,630	
	Less: Provision for Taxation	-		(69,93,974)	
	Add: Profit for the year	(2,69,88,927)		32,93,637	
	Less: Dividend & Dividend Distribution Tax	-	66,05,92,527	-	68,67,27,534
	Other Equity		28,06,56,260		28,06,56,260
	Total		1,06,18,48,787		1,08,79,83,794
12	NON CURRENT BORROWINGS				
	a) Term loans from banks/financial institutions		32,20,731		50,27,921
	b) Others		-		1,770
	Total		32,20,731		50,29,691
13	CURRENT BORROWINGS				
	(a) Working Capital Loan from Bank		8,01,39,409		-
	(b) Bill Discounting Facility against FDR		-		7,05,03,323
	Total		8,01,39,409		7,05,03,323
14	TRADE PAYABLES				
	Micro,Small and Medium Enterprises		-		-
	Others		25,85,10,161		19,30,36,586
	Total		25,85,10,161		9,30,36,586

Note No.	Particulars	AS AT 31.03.2020		AS AT 31.03.2019	
<b>15</b>	<b>OTHER CURRENT LIABILITIES</b>				
	Other Liabilities		1,18,54,995		1,74,46,592
	Unclaimed Dividend		6,01,571		6,01,571
	Statutory Dues		57,53,363		3,32,153
	<b>Total</b>		<b>1,82,09,928</b>		<b>1,83,80,316</b>
<b>16</b>	<b>SHORT TERM PROVISIONS</b>				
	Provision For Income Tax		28,33,347		8,33,347
	<b>Total</b>		<b>28,33,347</b>		<b>8,33,347</b>
<b>17</b>	<b>REVENUE FROM OPERATIONS</b>				
	Sale of products		1,29,78,78,745		1,54,74,19,606
	Other Operating Revenues		-		-
	<b>Total</b>		<b>1,29,78,78,745</b>		<b>1,54,74,19,606</b>
<b>18</b>	<b>OTHER INCOMES</b>				
	Discount Received		26,39,153		34,78,762
	Rent Received		-		1,09,247
	Interest Recd		59,83,421		80,61,676
	Exchange Rate Fluctuation		8,15,150		-
	Duty Drawback		1,88,300		1,98,524
	Income from Investments		-		19,64,268
	Insurance Claim Received		-		3,05,534
	<b>Total</b>		<b>96,26,024</b>		<b>1,41,18,011</b>
<b>19</b>	<b>CONSUMPTION OF RAW MATERIALS</b>				
	Opening stock of Raw Materials		9,74,96,289		10,82,36,735
	Add: Purchase of Raw Materials		1,00,76,24,014		1,23,88,57,676
	Less: Closing Stock of Raw Materials		(6,20,24,832)		(9,74,96,289)
	Cost of Raw Material Consumed		1,04,30,95,471		1,24,95,98,122
	<b>Total</b>		<b>1,04,30,95,471</b>		<b>1,24,95,98,122</b>
<b>20</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS AND STOCK IN TRADE</b>				
	Opening Balance		13,12,06,961		13,38,50,185
	Less : Closing Stock		(13,79,50,682)		(13,12,06,961)
	<b>Total</b>		<b>(67,43,721)</b>		<b>26,43,224</b>
<b>21</b>	<b>EMPLOYEES BENEFITS EXPENSES</b>				
	Salaries & Wages		5,89,46,767		5,68,38,755
	Staff Welfare		16,80,680		32,70,350
	<b>Total</b>		<b>6,06,27,447</b>		<b>6,01,09,105</b>
<b>22</b>	<b>FINANCE COSTS</b>				
	Bank Charges		31,41,411		24,02,834
	Interest on other Loan		55,91,926		82,98,941
	Listing fees		3,00,000		2,50,000
	<b>Total</b>		<b>90,33,337</b>		<b>1,09,51,775</b>

Note No.	Particulars	AS AT 31.03.2020		AS AT 31.03.2019	
23	DEPRECIATIONS & AMORTIZATIONS				
	Depreciation on Assets		2,03,14,759		1,98,25,217
	Deferred Revenue Expenses W/off		3,05,65,392		2,75,84,642
	Total		5,08,80,151		4,74,09,859
24	OTHER EXPENSES				
	Advertisement & Publicity		4,36,404		1,58,804
	Auditors Remuneration		1,65,000		1,61,750
	Commissions Paid		9,60,249		8,20,103
	Discount Allowed		52		52,83,088
	Donations Paid		1,98,308		42,333
	Electricity & Water		7,81,36,960		8,07,82,071
	Exchange Rate Fluctuation		-		6,57,025
	Fees, Subscriptions & Rates		9,27,767		5,41,284
	Festival Expenses		6,57,298		2,53,229
	Insurance		84,98,089		3,06,579
	Interest paid on Statutory Dues		6,67,830		78,75,605
	Labour Charges		2,86,12,682		2,50,30,644
	Legal & Professional Charges		31,77,069		65,79,418
	Loss in value of Investments		6,18,750		-
	Office Expenses		12,33,763		14,10,959
	Packing & Forwarding		57,22,162		74,57,459
	Penalty on Taxes		1,05,000		-
	Petrol & Diesel Exp		31,87,119		29,08,645
	Printing & Stationery		4,93,210		6,07,316
	Rates & Taxes		11,30,875		9,42,006
	Rent Paid		48,00,000		48,00,000
	Repairs & Maintenance		1,29,17,571		1,27,26,078
	Security Charges		27,67,177		29,99,439
	Selling & Distribution Costs		95,48,145		87,95,033
	Stores & Spares, Other Factory Expenses		12,69,851		36,86,490
	Other Expenses		-		27,14,162
	Transport & Handling		68,35,193		64,65,960
	Travelling & Conveyance		40,45,031		30,35,208
	Total		17,71,11,554		18,70,40,687
25	EXCEPTIONAL EXPENSES				
	Loss due to fire		4,89,458		4,91,208
	Total		4,89,458		4,91,208

# NOTES TO ACCOUNTS

## GENERAL INFORMATION

KESAR PETROPRODUCTS LIMITED (Corporate identity number: L23209PN1990PLC054829) having registered office at D-7/1, MIDC, Lote Parshuram, Taluka Khed, District Ratnagiri, Maharashtra - 415722, is a public company incorporated and domiciled in India.

The Company is in the business of manufacturing and marketing Organic Chemicals and Pigments.

The financial statements for the year ended March 31, 2020 were approved for issue by Company's Board of Directors on July 31, 2020.

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited.

## A. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

### a. Statement of Compliance

The shares of the company are listed on Bombay Stock Exchange (BSE).

The Company's financial statements complies in all material aspects with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013 (the Act).

### b. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following items :

Item	Measurement
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/liability	Present value of defined benefit obligations

### c. Use of estimates and judgments

Preparation of these financial statements is in conformity with IndAS. It requires the management to make estimates and assumptions considered in the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Estimates include the useful lives of property plant and equipment and intangible fixed assets, allowance for expected credit loss, future obligations in respect of retirement benefit plans, fair value measurement etc.

### d. Measurement of Fair values

Accounting Policies and disclosures requires measurement of fair values for both financial and non-financial assets and liabilities. Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that entity can access at measurement date.
- Level 2 inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### e. Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current

## **Presentation of financial statements**

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in Schedule III to the Companies Act, 2013 modified in accordance with the requirements of Ind AS. The Cash Flow Statement has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

Amounts in the financial statements are presented in Indian Rupees.

## **B. SIGNIFICANT ACCOUNTING POLICIES**

### **B1. REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

#### **Sale of goods**

Revenue from the sale of goods is recognized when the goods are dispatched and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **Rendering of services**

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. Servicing fees included in the price of products sold are recognized by reference to the proportion of the total cost of providing the servicing for the product sold.

#### **Dividend and interest income**

Dividend income from investments is recognized when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on, time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### **B2. PROPERTY, PLANT AND EQUIPMENT (PPE)**

Property, plant and equipment (including furniture, fixtures, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes items directly attributable to the construction or acquisition of the item of property, plant and equipment, and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.



Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. Depreciation is charged on a pro-rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the Schedule II to the Act.

Depreciation of an asset begins when it is available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that it is classified as held for sale) in accordance with Ind AS 105 and the date that the asset is de-recognized. Therefore depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

However under usage methods of depreciation the depreciation charge can be zero while there is no production.

Depreciation on additions/ deductions is calculated pro-rata from/ to the month of additions/ deductions.

An item of property, plant and equipment is derecognized upon disposal. Any gain or loss arising on the disposal of an item of property plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

### **B3. INTANGIBLE ASSETS**

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

### **B4. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS**

The carrying amount of assets are reviewed at each Balance Sheet date, to assess ,if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the assets exceeds the recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### **B5. INVENTORIES**

Inventories are valued at the lower of cost, determined on the weighted average basis and Net Realisable Value (NRV).

The cost of Finished Goods and Work in Progress comprises raw material, direct labour, other direct cost and appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of Inventories also include all the cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated cost necessary to make the sale.

## **B6. FOREIGN CURRENCY TRANSACTIONS**

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

Foreign currency derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item

## **B7. EMPLOYEES BENEFITS**

Company's contributions paid/ payable during the year to Provident Fund and Employees' State Insurance Corporation (ESIC) are recognized in the Profit & Loss Account; Provident Fund contributions are made to Regional Provident Fund Commissioner. The remaining contributions are made to a Government Administered Employee Pension Fund towards which the company has no further obligations beyond its monthly contributions.

Defined benefits and other long term employee benefits are provided on the basis of actuarial valuation made at the end of each financial year. Actuarial gain or losses arising from such valuation are charged to Other Comprehensive Income in the year in which they arise

## **B8. RESEARCH & DEVELOPMENT EXPENDITURE**

Expenditure on research activities is recognized as an expense in the period in which it is incurred where no internally generated asset can be recognized.

## **B9. FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

### **Financial Assets**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

Investments in debt instruments that meet the following conditions are subsequently measured at amortized cost (unless the same are designated as fair value through profit or loss (FVTPL)):

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (unless the same are designated as fair value through profit or loss)

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

Debt instruments at FVTPL are a residual category for debt instruments and all changes are recognized in profit or loss.

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in Other Comprehensive Income (OCI) for equity instruments which are not held for trading.

Interest income, dividend income and exchange difference (on debt instrument) on Fair Value Through Other Comprehensive Income (FVTOCI) debt instruments is recognized in profit or loss and other changes in fair value are recognized in OCI and accumulated in other equity. On disposal of debt instruments FVTOCI the cumulative gain or loss previously accumulated in other equity is reclassified to profit & loss. However in case of equity instruments at FVTOCI cumulative gain or loss is not reclassified to profit & loss on disposal of investments.

## **Financial Liabilities and Equity Instruments**

### **Classification as debt or equity**

Debt and equity instruments issued by Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

### **Financial liabilities**

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance Costs' Line item.

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

- a. Loans and borrowings are subsequently measured at amortized costs using Effective Interest Rate method.
- b. Financial liabilities at fair value through profit or loss (FVTPL) are subsequently measured at fair value.
- c. Financial guarantee contracts are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.
- d. Financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.
- e. Other Secured Loans from M/s Malvika Harbopharma (P) Ltd are secured by 1st charge all the Fixed Assets including the Housing Colony.

- f. Disclosure regarding parties and transactions as required by Ind AS-24 issued by the Institute of Chartered Accountants of India are as under:

A. Name of Related Party and Their Relationship

<b>a. Associate Company</b>	Nil
<b>b. Directors</b>	1. Shri.Nazirsaheb M Sayyed (upto 09/11/2019)
	2. Shri.Mohit Kaushik
	3. Shri.K.D. Fatnani
	4. Smt.Snehlata Sharma
	5. Smt.Neelam Arora (w.e.f. 12/11/2019)
<b>c. Key Managerial Personnel</b>	1. Shri. Jignesh Desai Chief Financial Officer (w.e.f. 12/11/2019)
	2. Smt. Manali More Chief Financial Officer (upto 25/10/2019)
	3. Dr.V.G. Chari Company Secretary (w.e.f. 13/01/2020)
	4. Shri. Parambadi Nair Company Secretary (upto 31/12/2019)

B. Transactions with Related Party

S.No.	Related Party	Designation	Amount Paid p.a. (Rs.)
1.	Shri. Nazirsaheb M Sayyed	Executive Director- Remuneration	5,43,806/-
2.	Shri.Mohit Kaushik	Executive Director- Remuneration	4,49,194/-
3.	Shri. K.D. Fatnani	Independent Director- Sitting Fees	3,000/-
4.	Smt. Neelam Arora	Independent Director- Sitting Fees	3,000/-
5.	Smt. Snehlata Sharma	Independent Director- Sitting Fees	2,000/-
6.	Shri.Jignesh Desai	Chief Financial Officer-Remuneration	1,63,500/-
7.	Smt. Manali More	Chief Financial Officer-Remuneration	7,36,036/-
8.	Dr. V.G. Chari	Company Secretary	45,000/-
9.	Shri. Parambadi Nair	Company Secretary	1,12,500/-

## B10. IMPAIRMENT OF FINANCIAL ASSETS (EXPECTED CREDIT LOSS MODEL)

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset and financial guarantees not designated at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract/agreement and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. The Company estimates cash flows by considering all contractual terms of the financial instrument, through the expected life of the financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the life-time expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk has not increased significantly, the Company measures the loss allowance at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the life-time cash shortfalls that will result if the default occurs.

within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of a change in the amount of the expected credit loss. To achieve that, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

## **B11. PROVISIONS**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## **B12. WARRANTIES**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise- being typically six months to one year.

## **B13. CURRENT AND NON CURRENT CLASSIFICATION**

### **Current Asset:**

An asset shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded.
- (c) It is expected to be realized within twelve months after the reporting date, or
- (d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets shall be classified as non-current.

### **Current Liabilities:**

A liability shall be classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the reporting date: or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. All other liabilities shall be classified as non-current.

### **B14. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

During the financial year, the Company has incurred expenditure of Rs. NIL towards CSR activities. The total accumulated unspent sums of CSR as at the 31st of March 2020 is Rs. 108.42 Lacs which includes Rs. 25,82,592/- for the current year being 2% of the average of net profits for the past three consecutive financial years could not be spent due to lack of suitable CSR projects. The company is unable to spend the above amount due to non-identification of eligible CSR projects.

### **B15. DEFERRED TAX & CURRENT TAX**

#### **Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### **Current and deferred tax for the year**

The income tax expense or credit for the year is the tax payable on current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

### Minimum Alternate Tax

According to section 115JAA of the Income Tax Act, 1961, Minimum Alternative Tax ('MAT') paid over and above the normal income tax in a subject year is eligible for carry forward for fifteen succeeding assessment years for set-off against normal income tax liability. The MAT credit asset is assessed against the normal income tax during the specified period.

## B16. COVID-19

The outbreak of the COVID-19 pandemic has severely impacted the global trade and logistics from the start of the year. The aggravating factor was the lockdown and other restrictions imposed by the government, thus disrupting the company's supply chain and its overall operational capacity. The impending volatility and economic slowdown has impacted the global business as well. The Company is closely monitoring the impact of the pandemic on all aspects of its business. The management has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, assessment for impairment of investments, intangible assets, inventory, based on the information available, while preparing the Company's financial statements as of and for the year.

## B17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

## B18. SEGMENT REPORTING

In accordance with Accounting Standard Ind AS- 108 "Segmental Reporting", the Company has determined its business segment as manufacturing and marketing of organic chemicals and pigments. Since more than 99% of business is from manufacturing and marketing of organic chemicals and pigments, there are no other primary reportable segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortisation during the year are all as is reflected in the financial statements as at and for the year.



## B19. BORROWING COSTS

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

## B20. EXCEPTIONAL ITEMS

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

## B21. EARNINGS PER SHARE (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating Diluted Earnings per Share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential Equity Shares.

Computation of Basic & Diluted EPS	2019-20	2018-19
a. Profit/(Loss) after Tax as per P&L A/c	(2,61,35,007)	(31,62,707)
b. Number of Equity Shares	9,66,73,170	9,66,73,170
c. Basic EPS	(-) 0.27	(-) 0.03
d. Diluted EPS	(-) 0.27	(-) 0.03
e. Face Value per Equity Share	Re.1/-	Re.1/-

## C. CASH FLOW STATEMENT

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit/(loss) is adjusted for the effects of:

- (a) transactions of a non-cash nature;
- (b) any deferrals or accruals of past or future operating cash receipts or payments and,
- (c) All other items of income or expense associated with investing or financing cash flows.

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents (including bank balances) are reflected as such in the Cash Flow Statement. Those cash and cash equivalents which are not available for general use as on the date of Balance Sheet are also included under this category with a specific disclosure.

The figures of the previous year have been regrouped/ rearranged wherever necessary and the figures are rounded off to the nearest rupee.

As per my report of even date

For and on behalf of the Board of Directors

**For A Sachdev & Co**  
**Chartered Accountants**

**CA Manish Agarwal**  
**Partner**

Membership No. :078628  
Firm Regn. No. :001307C

Place: Mumbai

Dated : 31<sup>st</sup> July, 2020

Executive Director & CEO  
Mohit Kaushik

Company Secretary  
Dr.V.G.Chari

Executive Director  
Snehlata Sharma

Chief Financial Officer  
Jignesh Desai





**Kesar Petroproducts Limited**

Registered Office: D 7/1, MIDC Industrial Area,  
Lote Parshuram, Taluka Khed, District Ratnagiri, Maharashtra, India