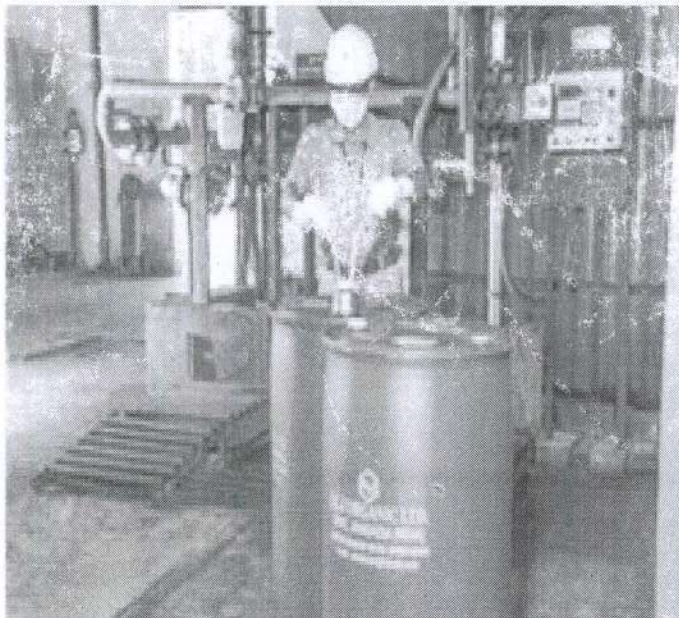
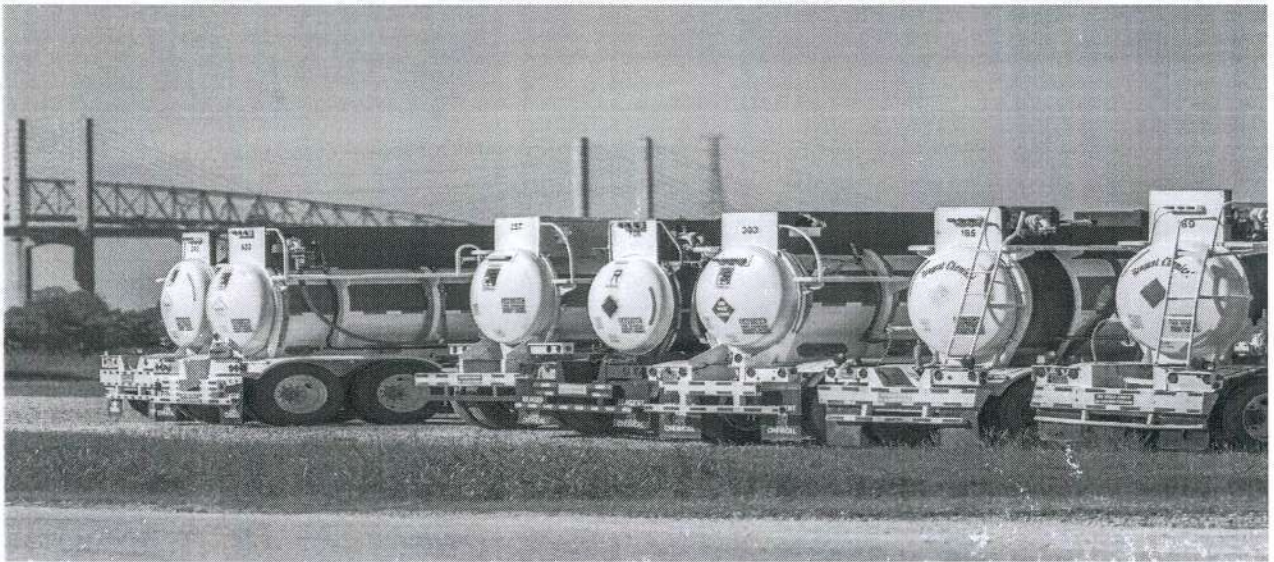




# KLJ RESOURCES LIMITED

TRUST BUILT ON PERFORMANCE



33<sup>rd</sup> ANNUAL REPORT 2018-19



# PETROCHEMICAL TRADING

## BUILDING A STRONGER ECONOMY

KLJ Resources Limited,  
engaged in Import,  
Marketing &  
Distribution of  
petrochemicals,  
Derivatives & Solvents  
in India

The Company is one of  
the Largest Importers of  
Petrochemicals in India,  
with a trading turnover  
exceeding US\$ 200  
million

Wide Marketing  
Network and Storage  
Centers Located in all  
Major Strategic  
Location across India

KLJ Resources Limited is engaged in importing of petrochemicals & blending of Base Oil in India. Product range covers a range of Paraffins, Linear Alkyl Benzene, Glycol Ether, Oxo-Alcohols, Aromatics, Ketones, Monomers, Esters & Amines to name a few. The Company has strong tie-ups with leading global players to ensure cost effective and uninterrupted supply to its customers. The Company has Pan India presence of marketing Network with storage Tank (with Sales of over 280000 MT), Drumming and Distribution facilities.





# KLJ RESOURCES LIMITED

## 33<sup>rd</sup> ANNUAL REPORT – 2018-19

CIN: L67120WB1986PLC041487

### Board of Directors

Sh. Hemant Jain  
Sh. Dilip Kumar Karn  
Smt. Kalpana Seth  
Sh. Gulshan Rai Kanwal  
Sh. Sukh Raj Sethia

Managing Director  
Non-Executive Director  
Non-Executive Director  
Independent Director  
Independent Director

### Registered Office:

8, Cammac Street,  
Kolkata- 700 017,  
Website: [www.kljresources.in](http://www.kljresources.in)  
E-mail: [kljresources@kljindia.com](mailto:kljresources@kljindia.com)  
Phone No.: 011-25459706  
Fax No.: 011- 25459709

### Corporate Office:

KLJ Complex-I, B-39, Plot No. 70, Shivaji  
Marg, Najafgarh Road, New Delhi- 110015

### Plant Location:

177, Part A, Jamal Pada Road, Village Silli,  
Silvassa- 396230

### Chief Financial Officer

Sh. Suresh Chand Jalthar

### Company Secretary & Compliance Officer

Sh. Ajai Kumar Gupta

### Statutory Auditors

M/s Kumar Chopra & Associates  
Chartered Accountants,  
New Delhi

### Registrar & Share Transfer Agent

R & D Infotech Private Limited,  
Add.:- 1<sup>st</sup> Floor, 7A, Beltala Road,  
Kolkata, West Bengal-700 026,  
Tel- 91-33-24192641/2642,  
Email:-[rdinfotec@yahoo.com](mailto:rdinfotec@yahoo.com)

### Bankers

State Bank of India  
Punjab National Bank  
HDFC Bank  
Axis Bank  
Kotak Mahindra Bank

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# KLJ RESOURCES LIMITED

CIN: L67120WB1986PLC041487

Registered Office: 8, Cammac Street, Kolkata, West Bengal -700 017

Telephone: (011) 25459706-7-8, 41427427-8-9, Fax: (0091-11) 25459709, 25458767

E-mail: kljresources@kljindia.com; Website: www.kljresources.in

## NOTICE OF 33<sup>rd</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 33<sup>rd</sup> Annual General Meeting of the members of KLJ Resources Limited will be held on Monday, 30<sup>th</sup> September, 2019 at 10:00 A.M. at the Registered Office of the Company at 22, Ground Floor, Shanti Niketan Building, 8, Cammac Street, Kolkata – 700 017 to transact the following business:

### **ORDINARY BUSINESS**

#### **Item No. 1- Adoption of Audited Standalone Financial Statements**

To consider and adopt the audited standalone financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the reports of the Board of Directors and Auditors thereon and in this regard, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

#### **Item No. 2- Adoption of Audited Consolidated Financial Statements**

To consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the reports of Auditors thereon and in this regard, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

#### **Item No. 3- Declaration of Dividend**

To declare a final dividend on equity shares for the financial year ended 31<sup>st</sup> March, 2019 and in this regard, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** a final dividend at the rate of Rs. 0.25 (Twenty five paise only) per equity share of Rs. 10 (Ten Rupees) each, be and is hereby declared for the financial year ended 31<sup>st</sup> March, 2019 and the same be paid out of the profits of the Company for the financial year ended 31<sup>st</sup> March, 2019.”

#### **Item No. 4- Re-Appointment of Director**

To appoint Sh. Dilip Kumar Karn (DIN 00061804), who retires by rotation as a Director and in this regard, to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Sh. Dilip Kumar Karn (DIN 00061804), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

## **SPECIAL BUSINESS**

### **Item No. 5- Ratification of Remuneration of Cost Auditors**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

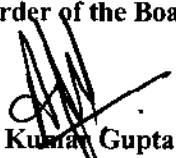
**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s Yogesh Gupta & Associates, Cost Accountants (Firm Registration Number 000373), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the company for the financial year ending 31<sup>st</sup> March 2020, amounting to Rs. 1,50,000 (Rupees One Lac Fifty Thousand only) as also the payment of taxes, as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby approved.”

### **Item 6: Approval for continuation of current term of Sh. Gulshan Rai Kanwal, Independent director**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, consent of the shareholders of the Company be and is hereby accorded to Sh. Gulshan Rai Kanwal (DIN: 07145698), Independent Director of the Company, to continue to hold office of Independent Director effective from 1<sup>st</sup> April, 2019 till the end of his current tenure of appointment i.e. up to 30<sup>th</sup> March, 2020 notwithstanding that he has attained the age of 75 years on 16<sup>th</sup> November, 2010.”

**For KLJ Resources Limited  
By Order of the Board of Directors**

  
(Ajai Kumar Gupta)  
Company Secretary  
Membership No.: FCS 8020

4<sup>th</sup> September, 2019  
New Delhi

**NOTES:**

- 1) A member entitled to attend and vote at the 33<sup>rd</sup> Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
- 2) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total paid up share capital of the Company carrying voting rights. A member holding more than ten percent of the total paid up share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
- 3) A Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the Meeting is annexed hereto.
- 4) Attendance slip, proxy form and the route map, showing directions to reach the meeting venue are annexed to the Notice.
- 5) Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.
- 6) The Register of Members and Share Transfer books of the Company will be closed from Tuesday, 24<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (both days inclusive), for the purpose of Annual General Meeting and dividend for the financial year 2018-19.
- 7) The Final Dividend for the financial year ended 31<sup>st</sup> March, 2019, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after Friday, 4<sup>th</sup> October, 2019 to those members whose names appears in the Register of Members of the Company as on the book closure date, as under:
  - In respect of equity shares held in physical form, to all those members whose names appear in the company’s Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the company on or before the close of business hours on Monday, 23<sup>rd</sup> September, 2019.
  - In respect of equity shares held in electronic form, to all beneficial owners of the shares, as per details furnished by the depositories for this purpose, as of the close of business hours on Monday, 23<sup>rd</sup> September, 2019.
- 8) The Company is providing facility for voting by electronic means (e-voting) through an electronic voting system which will include remote e-voting as prescribed by the Companies (Management and Administration) Rules, 2014 as presently in force. Information and instructions including details of User ID and password relating to e-voting are provided in the Notice under Note No. 22.
- 9) In terms of Section 152 of the Act, Sh. Dilip Kumar Karn (DIN: 00061804) Director, retires by rotation at the Meeting and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee of the Board and the Board of Directors of the Company recommends his re-appointment. Details of the Director retiring by rotation, as required to be provided pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”) are provided herein below:

Name	Sh. Dilip Kumar Karn
Date of Birth	6 <sup>th</sup> February, 1953
Age	66 years
Date of first Appointment on Board	10 <sup>th</sup> October, 1997
Qualification	Graduate
Experience (including expertise in specific functional area)/ Brief Resume	37 Years of experience in Accounts
Remuneration last drawn	NIL
No. of Meetings attended during the year	7 (Seven)



Relationship with other Directors/Key Managerial Personnel	NIL
Directorships held in other public companies (excluding foreign and section 8 companies)	NIL
Membership/Chairmanship of committees of other public companies (includes only Audit Committee and stakeholders' Relationship Committee)	NIL
Number of Shares held in the Company	900

- 10) Members / Proxies / Authorized Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy (ies) of their Annual Report.
- 11) 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 at the Meeting.
- 12) Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days (i.e., except Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will also be available for inspection by members at the Meeting.
- 13) As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received from transmission and transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, R & D Infotech Private Limited for assistance in this regard.
- 14) The Company's Registrar and Share Transfer Agents for its share registry (both, physical as well as electronic) is R & D Infotech Private Limited, the ("RTA") having its registered office at 1<sup>st</sup> Floor, 7A, Beltala Road, Kolkata – 700 026.
- 15) Members holding shares in electronic mode are requested to intimate any change in their address or bank mandates to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical mode are requested to intimate any change in their address or bank mandates to the Company.
- 16) Members holding shares in electronic mode:
- (a) are required to submit their Permanent Account Number (PAN) to their DPs with whom they are maintaining their demat accounts.
  - (b) May contact with their respective Depository Participants (DPs) for availing the nomination facility.
- 17) Members holding shares in physical mode:
- (a) are required to submit their Permanent Account Number (PAN) and bank account details to the Company/RTA, if not registered with the Company as mandated by SEBI.
  - (b) are advised to make nomination in respect of their shareholding in the company by sending the nomination form (SH-13) to the company.
- 18) Members who have not registered/updated their e-mail addresses with RTA, if shares are held in physical mode or with their DPs, if shares are held in electronic mode, are requested to do so for receiving all future communications from the Company including Annual Reports, Notices, Circulars electronically.
- 19) Members who hold shares in physical mode in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA, for consolidation into a single folio.
- 20) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013, will be available for inspection at the Annual General Meeting.
- 21) Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
- 22) Information and instructions relating to e-voting are as under:

- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members a facility to exercise their right to vote on resolutions proposed to be passed at the Annual General Meeting by electronic means. The members may cast their vote(s) using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- ii. The facility for voting through physical ballot papers will be made available at the Meeting and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through poll 'by physical ballot'.
- iii. The voting rights of the Member shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date i.e. 23<sup>rd</sup> September, 2019. A person whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the meeting through electronic means.
- iv. The members who have cast their vote(s) by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote(s) again.
- v. The Board of Directors of the Company has appointed Sh. Anuj Kumar Solanki, a Practicing Company Secretary, New Delhi (Membership No. F9761) as Scrutinizer, who has submitted to the Company his willingness to act as such as a Scrutinizer and to scrutinize the remote e-voting and physical poll process at the Annual General Meeting venue in a fair and transparent manner.
- vi. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-voting. A person, who is not a member as on the cut-off date, should treat this Notice for information purpose only.
- vii. The Scrutinizer will, after the conclusion of voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result declared along with the consolidated Scrutinizer's Report will be communicated to the Stock Exchange.
- viii. **The instructions for shareholders voting electronically are as under:**
  - a) In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by the Central Depository Services (India) Limited (CDSL) on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
  - b) The remote e-voting period begins on Friday, 27<sup>th</sup> September, 2019 at 9:00 a.m. and ends on Sunday, 29<sup>th</sup> September, 2019 at 5:00 p.m. During this period the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 23<sup>rd</sup> September, 2019 may cast their vote electronically. The remote e-voting will not be permitted beyond the aforesaid date and time and the remote e-voting module shall be disabled upon expiry of aforesaid period.
  - c) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - d) Click on Shareholders.
  - e) Now Enter your User ID
    - i. For CDSL: 16 digits beneficiary ID,
    - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - f) Next enter the Image Verification as displayed and Click on Login.
  - g) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - h) If you are a first time user follow the steps given below:



For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- i) After entering these details appropriately, click on "SUBMIT" tab.
- j) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- l) Click on the EVSN for KLJ Resources Limited.
- m) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- n) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- o) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- p) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- q) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- r) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- s) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- t) Note for Non – Individual Shareholders and Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.



- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- u) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on Toll Free No.: 1800 200 5533. In case you need further assistance, you may contact Sh. Ajai Kumar Gupta, Company Secretary and Compliance Officer of the Company at Telephone No. (+91) 11-25459706/7/8 or at e-mail id: [kljresources@kljindia.com](mailto:kljresources@kljindia.com).

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

### **ITEM NO. 5**

Upon the recommendation of the Audit Committee, the Board of Directors at their meeting held on 4<sup>th</sup> September, 2019 has approved the appointment of M/s Yogesh Gupta & Associates, Cost Accountants (Firm Registration Number 000373) as Cost Auditors to conduct the audit of the cost records of the company for the financial year ending 31<sup>st</sup> March, 2020, at a remuneration of Rs. 1,50,000 (Rupees One Lac Fifty Thousand only) plus applicable taxes and out of pocket expenses that may be incurred by them during the course of audit.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration payable to the Cost Auditor has to be ratified by the members.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the members.

None of the Directors and Key Managerial Personnel of the company or their respective relatives is concerned or interested in the resolution mentioned at Item No. 5 of the Notice, except to the extent of their shareholding in the company, if any.

### **ITEM NO. 6**

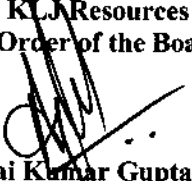
The appointment of Sh. Gulshan Rai Kanwal as the Independent Director of the Company to hold office for a period of 5 years effective from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2020 was approved by the shareholders of the Company at their 29<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2015. In terms of the newly added Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the consent of the members by way of Special Resolution is required for continuation of a Non-Executive Director beyond the age of 75 years, effective from 1<sup>st</sup> April 2019.

Sh. Gulshan Rai Kanwal has attained the age of 75 years on 16<sup>th</sup> November, 2010. Accordingly, the Nomination & Remuneration Committee and the Board of Directors of the Company are of the view that his experience and valuable guidance is beneficial to the Company. Hence, it would be appropriate that he continues to serve on the Board till the completion of his present term of appointment i.e. up to 30<sup>th</sup> March, 2020, notwithstanding that Sh. Gulshan Rai Kanwal has attained the age of 75 years.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the members.

None of the Directors and Key Managerial Personnel of the company or their respective relatives is concerned or interested in the resolution mentioned at Item No. 6 of the Notice, except to the extent of their shareholding in the company, if any.

For **KLJ Resources Limited**  
By **Order of the Board of Directors**

  
(Ajai Kumar Gupta)  
Company Secretary  
Membership No.: FCS 8020

4<sup>th</sup> September, 2019  
New Delhi



**KLJ RESOURCES LIMITED**

CIN: L67120WB1986PLC041487

Regd. Off. : 8 Cammac Street, Kolkata, West Bengal – 700 017

**Form No. MGT-11**

**Proxy Form**

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

**33<sup>rd</sup> Annual General Meeting – Monday, 30<sup>th</sup> September, 2019 at 10:00 A.M.**

<b>Name of the member(s):</b> <b>Registered Address:</b> <b>E-mail ID:</b> <b>Folio/ DP ID - Client ID No.:</b>
--

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

- Name: .....  
Address: .....  
E-mail Id: .....  
Signature: ....., or failing him/her
- Name: .....  
Address: .....  
E-mail Id: .....  
Signature: ....., or failing him/her
- Name: .....  
Address: .....  
E-mail Id: .....  
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> Annual general meeting of the company to be held on Monday, 30<sup>th</sup> September, 2019 at 10.00 a.m. at 22, Ground Floor, Shanti Niketan Building, 8, Cammac Street, Kolkata – 700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.	Resolution	for	against
<b>ORDINARY BUSINESS</b>			
1.	Adoption of Standalone Financial Statement and the Report of Board of Directors and Auditors thereon, for the Financial Year ended 31 <sup>st</sup> March, 2019.		
2.	Adoption of Consolidated Financial Statement and the report of Auditors thereon, for the Financial Year ended 31 <sup>st</sup> March, 2019.		
3.	To declare final dividend @ Rs. 0.25 per equity share of Rs. 10 each for the financial year 2018-19.		
4.	Re-appointment of Sh. Dilip Kumar Kam (DIN: 00061804), as Director.		
<b>SPECIAL BUSINESS</b>			
5.	To ratify the remuneration of the Cost Auditors for the financial year ending 31 <sup>st</sup> March, 2020 (Ordinary Resolution).		
6.	To approve continuation of current term of Sh. Gulshan Rai Kanwal (DIN: 07145698), Independent director (Special Resolution).		

Signed this..... day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 33<sup>rd</sup> Annual General Meeting.



# Route Map to the Venue of 33<sup>rd</sup> Annual General Meeting of KLJ Resources Limited

**Registered Address:** 22, Ground Floor, Shanti Niketan Building, 8, Cammack Street, Kolkata – 700 017

Go gle Maps





## DIRECTORS' REPORT

To  
The Members,  
KLJ Resources Limited

Your Company's Directors are pleased to present the 33<sup>rd</sup> Annual Report of your Company together with the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019.

### 1. FINANCIAL PERFORMANCE (STANDALONE)

(Rupees in lakh)

PARTICULARS	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
Total Revenue	1,73,466.55	1,34,413.92
Total Expenses	1,67,749.12	1,25,790.83
<b>Profit before Finance Cost, Depreciation and Tax</b>	<b>6,887.22</b>	<b>9,455.90</b>
Finance Cost	1,075.32	740.92
Depreciation	94.47	91.89
<b>Profit before Tax</b>	<b>5,717.43</b>	<b>8,623.09</b>
Tax Expenses	2,001.96	3,064.53
<b>Profit after Tax</b>	<b>3,715.47</b>	<b>5,558.56</b>
Earnings Per Equity Share (Basic & Diluted)	34.59	51.76

### 2. PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

During the year under review, the Company has earned total revenue of Rs. 1,73,466.55 lakh as compared to Rs. 1,34,413.92 lakh in the corresponding previous year. EBIDTA for the year was Rs. 6,887.22 lakh as compared to Rs. 9,455.90 lakh for the previous year. Profit after Tax (PAT) stood at Rs 3,715.47 lakh as against Rs. 5,558.56 lakh in the previous year.

The state of affairs of the Company is presented as part of the Management Discussion and Analysis Report forming part of the Annual Report.

### 3. DIVIDEND

The Board of Directors of the company in its meeting held on 29<sup>th</sup> May, 2019 has recommended a final dividend of Rs. 0.25 per equity share of Rs. 10 each for financial year 2018-19 to be paid out of the profits of the company for financial year 2018-19. The total dividend outgo for the financial year 2018-19, amounts to Rs. 26.85 lakh excluding dividend distribution tax. The payment of final dividend is, however, subject to approval of the shareholders in the ensuing Annual General Meeting of the company.

### 4. RESERVES AND SURPLUS

Net surplus in the statement of Profit & loss for the financial year 2018-19 is carried to the Retained earnings.

### 5. CONSOLIDATED FINANCIAL STATEMENTS

As required under provisions of Companies Act, 2013 (hereinafter, the Act), and rules issued there under read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "SEBI Regulations"), Consolidated Financial Statements of the Company and its subsidiaries and associate form part of the Annual Report. The annual accounts of the Subsidiary Companies and the related detailed information shall be made available to Shareholders of the Company upon their request and it shall also be available on the website of the company i.e. [www.kljresources.in](http://www.kljresources.in).

### 6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

### 7. CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the financial year under review.

## 8. **SUBSIDIARIES AND ASSOCIATE**

The Company has following 7 (Seven) Subsidiaries and 1 (One) Associate Company as on 31<sup>st</sup> March, 2019. During the financial year 2018-19, no company has become or ceased to be subsidiary or associate of the Company.

Sl. No.	Name of the Company	Status
1	Altamonte Townships and Resorts Private Limited	Wholly Owned Subsidiary
2	Brokenhills Townships and Resorts Private Limited	Wholly Owned Subsidiary
3	Springdale Townships and Resorts Private Limited	Wholly Owned Subsidiary
4	Valley View Townships Private Limited	Wholly Owned Subsidiary
5	KLJ Resources, DMCC	Wholly Owned Subsidiary
6	Sadhok Real Estate Private Limited	Wholly Owned Subsidiary
7	AK Buildtech Private Limited	Wholly Owned Subsidiary
8	Hamlog Plastic Goods Private Limited	Associate

As required under the first proviso to sub-section (3) of Section 129 of the Companies Act 2013, a separate statement containing the salient features of the financial statements of the subsidiaries and associate company in Form AOC-1 is attached to the consolidated financial statements of the company. The said form also highlights the financial performance of each of the subsidiaries and associate company included in the consolidated financial statements of the company, as required under Rule 8(1) of the Companies (Accounts) Rules 2014.

## 9. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, Sh. Naveen Kumar Bothra was appointed as Company Secretary of the Company effective from 1<sup>st</sup> July, 2018 in place of Sh. Praveen Sharma, who resigned from the position of Company Secretary of the Company effective from 30<sup>th</sup> June, 2018.

Further, during the year under review, Sh. Sudeep Mehta (DIN: 00483072) has resigned from the directorship of the Company effective from 31<sup>st</sup> July, 2018.

Further, during the year under review, Sh. Ajai Kumar Gupta was appointed as Company Secretary of the Company effective from 14<sup>th</sup> February, 2019 in place of Sh. Naveen Kumar Bothra, who resigned from the position of Company Secretary of the Company effective from 5<sup>th</sup> January, 2019.

Sh. Dilip Kumar Karn (DIN: 00061804), Director of the Company retires at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee of the Board and the Board of Directors recommends his re-appointment. A brief resume of Sh. Dilip Kumar Karn proposed to be re-appointed, as stipulated under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India is provided in notes to the notice forming part of the Annual Report.

## 10. **NUMBER OF MEETINGS OF THE BOARD AND BOARD COMMITTEES**

7 (Seven) meetings of the Board were held during the financial year 2018-19. For details of the meetings of the Board, please refer the Corporate Governance Report, which forms part of the Annual Report. The Company has the following Board Committees:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee

Composition and other details of the Board Committees are provided in the Corporate Governance Report which forms part of the Annual Report.

## 11. **BOARD AND INDIVIDUAL DIRECTORS PERFORMANCE EVALUATION**

In terms of the requirement of the Companies Act, 2013 and the SEBI Regulations, an annual performance evaluation of the Board was undertaken. During the year, the Board undertook the process of evaluation through discussions and made an oral assessment of its functioning. The Board had opportunities to interact and make an assessment of its functioning as a collective body. The Board found that there was considerable value and richness in such discussions and deliberations.

The Board discussed various aspects of the functioning of the Board and its Committees such as structure, composition, meetings, functions and interaction with Management. Additionally, during the evaluation discussion, the Board also focused on the contribution being made by the Board as a whole, through Committees and discussions on a one on one basis.

The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board that were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the period.

## **12. EXTRACT OF ANNUAL RETURN**

An extract of Annual Return as per Section 92(3) of the Companies Act 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended, is annexed to the Directors' Report as Annexure "I" in Form MGT-9. The same is available on the website of the company (URL: <http://www.kljresources.in>).

## **13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Board has laid down internal financial Controls to be followed by the Company commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditors report to the Chairman of the Audit Committee and all significant audit observations and corrective actions are presented to the Committee. M/s Rakhecha & Co. Chartered Accountants, New Delhi (Firm Registration Number 02990N) are the Internal Auditors of the Company and have been entrusted to conduct Internal Audit of the functions and activities of the Company. The audit committee reviews the reports submitted by the internal auditors of the company and also seeks the views of statutory auditors on the adequacy of the internal control system in the company and keeps the board of directors informed of its major observations periodically.

Based on its evaluation, the audit committee has concluded that, as of 31<sup>st</sup> March, 2019, the internal financial controls were adequate and operating effectively.

## **14. DECLARATION BY THE INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended. The Declarations received from all the Independent Directors were taken on record by the Board of Directors in its meeting.

## **15. AUDITORS**

### **(A) STATUTORY AUDITORS & AUDITOR'S REPORT**

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time M/s Kumar Chopra & Associates, Chartered Accountants (Firm Registration Number 000131N), were appointed as statutory auditors of the Company from the conclusion of the 31<sup>st</sup> Annual General Meeting held on 29<sup>th</sup> September, 2017 till the conclusion of the 36<sup>th</sup> Annual General Meeting to be held in the year 2022 (to carry out the statutory audit for Financial Year 2017-18 to 2021-22).

The Auditor's Report does not contain any qualification(s), reservation(s) or adverse remark(s). The Auditor's Report forms part of the Annual Report and is self-explanatory requiring no further elucidation.

### **(B) COST AUDITORS, COST AUDIT REPORT AND MAINTENANCE OF COST RECORDS**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended, the cost audit records maintained by the Company are required to be audited. The Board, on the recommendations of the Audit Committee, has appointed M/s. Yogesh Gupta & Associates, Cost Accountants (Firm Registration Number 000373) New Delhi, as cost auditors for conducting the audit of cost records of the Company for the financial year 2019-20. In terms of provisions of section 148(3) of the Companies Act, 2013 read with Rule 14 (a) (ii) of the Company (Audit and Auditors) Rules, 2014, the remuneration of Cost Auditors for the aforementioned period is sought to be ratified by the members in the ensuing Annual General Meeting.

The Cost Audit Report for financial year 2018-19 was placed before the Board. The Cost Audit Report does not contain any qualification(s), reservation(s) or adverse remark(s).

The Company is required to maintain Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the company.

### **(C) SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT**

M/s. Deepti Chawla & Associates, Company Secretaries (ICSI CP No. 8759), New Delhi, a firm of Company Secretaries in Practice have conducted Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2019 is annexed herewith as Annexure "II" to this Report. The Secretarial Audit Report for the financial year 2018-19 does not contain any qualification(s), reservation(s) or adverse remark(s).





**16. NOMINATION AND REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

On the recommendation of Nomination and Remuneration Committee, the Company has formulated a Nomination and Remuneration Policy in terms of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Regulations laying down *inter alia*, the criteria for appointment and payment of remuneration to Directors, Key Managerial Personnel and Senior Employees of the Company, a summary of which is annexed as Annexure "III" to this Report. Details of the policy on appointment and remuneration are available on the website of the Company (URL: <http://www.kljresources.in>).

**17. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS**

A Report on Corporate Governance and Management Discussion and Analysis for the period ended 31<sup>st</sup> March, 2019, as stipulated under SEBI Regulations has been provided in a separate section and forms part of the Annual Report.

**18. PUBLIC DEPOSITS**

During the year under review, the Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013. Accordingly, no disclosure or reporting is required in respect of details relating to deposits.

**19. AUDIT COMMITTEE**

The Audit Committee of the Board has been formed in compliance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI Regulations. The Audit Committee as on 31<sup>st</sup> March, 2019 comprises of two Independent Directors namely Sh. Gulshan Rai Kanwal and Sh. Sukh Raj Sethia and one Non-Executive Director namely Smt. Kalpana Seth. Other relevant details as required under SEBI Regulations have been given in the Corporate Governance Report which forms part of the Annual Report. The Board has accepted all the recommendations made by the Audit Committee during the year.

**20. VIGIL MECHANISM**

A Vigil Mechanism as per provision of section 177 (9) of Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been established for Directors and Employees to report to the management about suspected or actual frauds, unethical behavior or violation of the Company's code. The policy is intended to encourage and enable the employees of the Company to raise serious concerns within the organization rather than overlooking a problem or handling it externally. The Vigil Mechanism policy of the Company is available on the website of the Company (URL: <http://www.kljresources.in>).

**21. CORPORATE SOCIAL RESPONSIBILITY**

The Board has constituted a Corporate Social Responsibility (CSR) Committee of the Board under the Chairmanship of a Non-executive Director. Compositions of CSR Committee of the Company and other relevant details have been provided in the Corporate Governance Report which forms part of this Annual Report. "Promoting health care including preventive health care and sanitation" is the core area of CSR activities undertaken by the Company. In addition to such core CSR areas, the Company has always remained sensitive to the underprivileged people of the society and support them in improving their lives in the areas as provided in Schedule VII to the Act. The Corporate Social Responsibility policy of the Company is available on the website of the Company (URL: <http://www.kljresources.in>).

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR Activities has been annexed herewith and marked as Annexure "IV" to this Board's Report.

**22. RISK MANAGEMENT POLICY**

The Company has structured a Risk Management policy in terms of section 134 of the Companies Act, 2013 read with the SEBI Regulations which is available on the website of the Company (URL: <http://www.kljresources.in>). The risk framework covers the management's approach and initiatives taken to mitigate a host of business and industry risks by identifying such risks and *inter alia* redefining processes, decision making authorities, authorization levels, risk and control documentation and reviewing these periodically. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Details of the same are set out in the Management Discussion and Analysis Report which forms part of the Annual Report.

**23. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR(S) OR COURT(S) OR TRIBUNAL(S) IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review, there were no significant and material orders passed by the Regulator(s) or Court(s) or Tribunal(s) impacting the going concern status and company's operations in future.

**24. PARTICULARS OF FRAUDS, IF ANY, REPORTED UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

No frauds have been reported under sub-section (12) of Section 143 of the Companies Act, 2013 by the auditors of the Company.

**25. PARTICULARS OF EMPLOYEES**

The details as required in terms of provisions of Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure "V" to this Report.

**26. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

Pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the information on conservation of energy, technology absorption and foreign exchange earnings and outgo is enclosed as Annexure "VI" to this report.

**27. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

In terms of Section 186 of the Companies Act, 2013 and rules framed there under, the details of loans given, investments made and guarantee provided in connection with a loan have been provided in the Notes to financial statements for the financial year 2018-19.

**28. TRANSACTIONS WITH RELATED PARTIES**

All related party contracts and/or arrangements entered by the Company during the financial year 2018-19 were on an arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Regulations. All Related Party Transactions were placed before the Audit Committee for its prior approval. There were no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, subsidiaries and associate Companies which might have a potential conflict with the interest of the Company. There were no transactions that were required to be reported in Form AOC-2 hence the said form does not form part of this report. However, the details of the transactions with Related Party (ies) have been provided in the Company's financial statements in accordance with the Indian Accounting Standard (Ind AS-24).

**29. SECRETARIAL STANDARDS**

The Company has complied with all the applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India for the financial year 2018-19.

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

The Company is committed to provide a healthy work environment and thus does not tolerate any discrimination and/ or harassment in any form to its women employees. The Company has in place a policy for prevention, prohibition and redressal of Sexual Harassment in compliance with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 which is available on the website of the Company. An Internal Complaints Committee has been set up to redress complaints of women employees of the Company received regarding sexual harassment. All women employees whether permanent, contractual, temporary or trainees are covered under this policy. During the financial year 2018-19, nil complaints were received by the committee.

**31. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions contained in Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2019, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts on a going concern basis;
- e) the Directors have laid down internal financial controls for the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**32. INDUSTRIAL RELATIONS**

During the year under review, the relations between the Management and the workmen were highly cordial. Human resource initiatives such as skill up gradation, training, appropriate reward & recognition systems and productivity improvement were the key focus areas for development of the employees of the Company.

**33. INVESTOR RELATIONS**

Your Company always endeavours to promptly respond to shareholders' requests/grievances. Each and every issue raised by the shareholders is taken up with utmost priority and every effort is made to resolve the same at the earliest. The Stakeholders Relationship Committee of the Board periodically reviews the status of the redressal of investors' grievances.

**34. ACKNOWLEDGEMENT**

Your Directors wish to place on record the sincere and dedicated efforts of all the employees of the Company. Your Directors also take this opportunity to offer their sincere thanks to the Financial Institutions, Banks and other Government Agencies, valued customers and all the stakeholders for their continued support, co-operation and assistance.

**For KLJ Resources Limited  
On behalf of the Board**



**(Hemant Jain)**  
Managing Director  
DIN: 00506995



**(Dilip Kumar Karn)**  
Director  
DIN: 00061804

Date: 4<sup>th</sup> September, 2019  
Place: New Delhi



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2019**  
*[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	L67120WB1986PLC041487
ii.	Registration Date	11 <sup>th</sup> November, 1986
iii.	Name of the Company	KLJ RESOURCES LIMITED
iv.	Category/Sub-Category of the Company	Company Limited by Shares Non-government Company
v.	Address of the Registered office and contact details	8, Cammac Street, Kolkata, West Bengal- 700 017 Tel No.- 011-25459706-7-8 Email- kljresources@kljindia.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	R & D Infotech Private Limited, 1 <sup>st</sup> Floor, 7A, Beltala Road, - Kolkata, West Bengal-700 026, Tel- 91-33-24192641/2642, Email- rdinfotec@yahoo.com

**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:-

S. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Wholesale Trading	46610	100

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

Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
Altamonte Townships and Resorts Pvt. Ltd.	D-1/D-2 Rajkamal Comm. Complex, Panchsheel Square, Wardha Road, Nagpur, Maharashtra – 440 012	U70102MH2012PTC230851	Wholly Owned Subsidiary	100	2(87)(ii) of Companies Act, 2013
Brokenhills Townships and Resorts Pvt. Ltd.	D-1/D-2 Rajkamal Comm. Complex, Panchsheel Square, Wardha Road, Nagpur, Maharashtra – 440 012	U70102MH2011PTC219700	Wholly Owned Subsidiary	100	2(87)(ii) of Companies Act, 2013
Springdale Townships and Resorts Pvt. Ltd.	D-1/D-2 Rajkamal Comm. Complex, Panchsheel Square, Wardha Road, Nagpur, Maharashtra – 440 012	U70101MH2011PTC219097	Wholly Owned Subsidiary	100	2(87)(ii) of Companies Act, 2013
Valley View Townships Pvt. Ltd.	2-A, Prashant Nagar, Ajni Layout, Wardha Road, Nagpur, Maharashtra-440 015	U70200MH2012PTC231228	Wholly Owned Subsidiary	100	2(87)(ii) of Companies Act, 2013



KLJ Resources, DMCC	Unit No. 30-01-2129, Jewellery & Gemplex 3, Plot No: DMCC-PH2-J & Gplexs, Jewellery & Gemplex, Dubai – UAE	NA	Wholly Owned Subsidiary	100	2(87)(ii) of Companies Act, 2013
Sadhok Real Estate Pvt. Ltd.	KLJ House, 63, Rama Marg, Najafgarh Road, New Delhi- 110015	U70100DL2017PTC318700	Wholly Owned Subsidiary	100	2(87)(ii) of Companies Act, 2013
AK Buildtech Pvt. Ltd.	KLJ Complex-I, B-39, Plot No. 70, Shivaji Marg, Najafgarh Road, New Delhi- 110015	U45400DL2008PTC173595	Wholly Owned Subsidiary	100	2(87)(ii) of Companies Act, 2013
Hamlog Plastic Goods Pvt. Ltd.	63 Rama Marg, Najafgarh Road, New Delhi- 110015	U51495DL1998PTC092417	Associate	24	2(6) of Companies Act, 2013

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

##### i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	5587500	15000	5602500	52.17	5587500	15000	5602500	52.17	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	974250	46477	1020727	9.50	974250	46478	1020728	9.50	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>6561750</b>	<b>61477</b>	<b>6623227</b>	<b>61.67</b>	<b>6561750</b>	<b>61478</b>	<b>6623228</b>	<b>61.67</b>	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>6561750</b>	<b>61477</b>	<b>6623227</b>	<b>61.67</b>	<b>6561750</b>	<b>61478</b>	<b>6623228</b>	<b>61.67</b>	-
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt. (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	3990750	67822	4058572	37.79	3990750	67822	4058572	37.79	-
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	58201	58201	0.54	-	58200	58200	0.54	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
<b>c) Others (specify)</b>	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>3990750</b>	<b>126023</b>	<b>4116773</b>	<b>38.33</b>	<b>3990750</b>	<b>126022</b>	<b>4116772</b>	<b>38.33</b>	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>3990750</b>	<b>126023</b>	<b>4116773</b>	<b>38.33</b>	<b>3990750</b>	<b>126022</b>	<b>4116772</b>	<b>38.33</b>	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>10552500</b>	<b>187500</b>	<b>10740000</b>	<b>100</b>	<b>10552500</b>	<b>187500</b>	<b>10740000</b>	<b>100</b>	-

#### ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at beginning of year			Shareholding at end of year			% change in shareholding during the year
		No. of Shares	% of total Shares of company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of company	% of Shares Pledged / encumbered to total shares	
1.	Hemant Jain	1315200	12.25	-	1315200	12.25	-	-
2.	Kamal Jain	1314750	12.24	-	1314750	12.24	-	-
3.	Pushp Jain	1315050	12.25	-	1315050	12.25	-	-
4.	Kanhaiya Lal Jain	975000	9.08	-	975000	9.08	-	-
5.	Sushila Jain	675000	6.29	-	675000	6.29	-	-
6.	Supreme E-Solutions Pvt. Ltd.	524280	4.89	-	524280	4.89	-	-
7.	Times Technosoft Pvt. Ltd.	450000	4.19	-	450000	4.19	-	-
8.	Prithvi Sound Products Company Pvt. Ltd.	46447	0.43	-	46448	0.43	-	-
9.	Siddhant Jain	1500	0.01	-	1500	0.01	-	-
10.	Harshita Jain	1500	0.01	-	1500	0.01	-	-
11.	Harsh Jain	1500	0.01	-	1500	0.01	-	-
12.	Chetan Jain	1500	0.01	-	1500	0.01	-	-
13.	Karan Jain	1500	0.01	-	1500	0.01	-	-
	<b>Total</b>	<b>6623227</b>	<b>61.67</b>	<b>-</b>	<b>6623228</b>	<b>61.67</b>	<b>-</b>	<b>-</b>

iii. Change in Promoters' Shareholding\* (please specify, if there is no change):

Sl. No.	Particulars	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
1.	<b>Prithvi Sound Products Company Pvt. Ltd.</b>				
	At the Beginning of the Year	46447	0.43	46447	0.43
	Bought during the year- 21.08.2018	1	0.00	46448	0.43
	Sold during the Year	-	-	-	-
	At the End of the year			46448	0.43

\*Except the above change, there are no changes in the promoter's shareholding during the financial year 2018-19.

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of company	No. of Shares	% of total Shares of company
1.	<b>Siddhishree Vincom Pvt. Ltd.</b>				
	At the Beginning of the year	1209022	11.26	1209022	11.26
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			1209022	11.26
2.	<b>Bhadani Financers Pvt. Ltd.</b>				
	At the Beginning of the year	1200000	11.17	1200000	11.17
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			1200000	11.17
3.	<b>Mangalshree Suppliers Pvt. Ltd.</b>				
	At the Beginning of the year	898200	8.36	898200	8.36
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			898200	8.36
4.	<b>Pioneer Infra Constructions Pvt. Ltd.</b>				
	At the Beginning of the year	750750	6.99	750750	6.99
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			750750	6.99
5.	<b>Sampat Mal Nahata</b>				
	At the Beginning of the year	1200	0.01	1200	0.01
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			1200	0.01
6.	<b>Susheel Kumar Golcha</b>				
	At the Beginning of the year	1050	0.01	1050	0.01
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			1050	0.01
7.	<b>Vidya Dhar Sharma</b>				
	At the Beginning of the year	1050	0.01	1050	0.01
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-

	At the End of the year			1050	0.01
<b>8. Kalu Singh</b>					
	At the Beginning of the year	900	0.01	900	0.01
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			900	0.01
<b>9. Ashok Kumar Maharshi</b>					
	At the Beginning of the year	900	0.01	900	0.01
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			900	0.01
<b>10. Sourabh Sharma</b>					
	At the Beginning of the year	900	0.01	900	0.01
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			900	0.01

**v. Shareholding of Directors and Key Managerial Personnel**

Sl. No.	For each of the Director and KMP	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
<b>1. Hemant Jain, Managing Director</b>					
	At the Beginning of the year	1315200	12.25	1315200	12.25
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			1315200	12.25
<b>2. Dilip Kumar Karn, Director</b>					
	At the Beginning of the year	900	0.01	900	0.01
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			900	0.01
<b>3. Kalpana Seth, Director</b>					
	At the Beginning of the year	900	0.01	900	0.01
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year			900	0.01
<b>4. Sudeep Mehta*, Director</b>					
	At the Beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year	-	-	-	-
<b>5. Suresh Chand Jalther, Chief Financial Officer</b>					
	At the Beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year	-	-	-	-
<b>6. Praveen Sharma**, Company Secretary</b>					
	At the Beginning of the year	901	0.01	901	0.01
	Bought during the year	-	-	-	-
	Sold during the year- 21.08.2018	(1)	(0.00)	900	0.01



	At the End of the year			900	0.01
<b>7.</b>	<b>Naveen Kumar Bothra*** Company Secretary</b>				
	At the Beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year	-	-	-	-
<b>8.</b>	<b>Ajai Kumar Gupta****, Company Secretary</b>				
	At the Beginning of the year	-	-	-	-
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the End of the year	-	-	-	-

\* Sh. Sudeep Mehta, resigned as a Director from the Company effective from 31<sup>st</sup> July, 2018.

\*\* Sh. Praveen Sharma, resigned as a Company Secretary of the Company effective from 30<sup>th</sup> June, 2018.

\*\*\* Sh. Naveen Kumar Bothra was appointed as a Company Secretary of the Company effective from 1<sup>st</sup> July, 2018 and resigned as Company Secretary of the Company effective from 5<sup>th</sup> January, 2019.

\*\*\*\* Sh. Ajai Kumar Gupta has been appointed as a Company Secretary of the Company effective from 14<sup>th</sup> February, 2019.

## V. INDEBTEDNESS

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

(Rupees in lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	16,042.01	203.94	-	16,245.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	54.73	-	-	54.73
Total (i+ii+iii)	16,096.74	203.94	-	16,300.68
<b>Change in Indebtedness during the financial year</b>				
Addition	-	687.27	-	687.27
Reduction	(2,967.88)	-	-	(2,967.88)
Net Change	(2,967.88)	687.27	-	(2,280.61)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	13,088.94	891.21	-	13,980.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	39.92	-	-	39.92
Total (i+ii+iii)	13,128.86	891.21	-	14,020.07

**VI. (A) Remuneration of Directors and Key Managerial Personnel:**

(Rupees in lakh)

Sl. No.	Name of MD/WTD/ Manager	Gross salary			Commission		Others	Total	Ceiling as per the Act
		(a) Salary as per provision contained in section 17(1) of Income-tax Act, 1961	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	as % of profit	others			
1.	Sh. Hemant Jain (Managing Director)	92.43	0.79	-	950.00	-	-	1043.22	Overall maximum managerial remuneration limit increased to 25% of net profit calculated as per Section 198 of the Act vide shareholders approval dated 10 <sup>th</sup> December, 2018, in their Extra Ordinary General Meeting.

**(B) Remuneration to other directors:**

(Rupees in lakh)

Sl. No.	Name of Directors	Independent Directors			Total (1)	Other Non-Executive Directors			Total (2)	Total (1+2)	Total Managerial Remuneration	Overall Ceiling as per the Act
		Fee for attending board / committee meetings	Commission	Others		Fee for attending board committee meetings	Commission	Others				
1.	Gulshan Rai Kanwal	0.30	-	-	0.30	-	-	-	-	0.30	-	Only sitting fees paid, therefore ceiling not applicable as per Section 197(2) of Companies Act, 2013.
2.	Sukh Raj Sethia	0.30	-	-	0.30	-	-	-	-	0.30	-	
3.	Dilip Kumar Karn	-	-	-	-	0.14	-	-	0.14	0.14	-	
4.	Kalpana Seth	-	-	-	-	0.14	-	-	0.14	0.14	-	

**(C) Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:**

(Rupees in lakh)

Sl. No.	Name of Key Managerial Personnel	Gross salary			Stock Option	Sweat Equity	Commission		Others	Total
		(a) Salary as per provision contained in section 17(1) of Income-tax Act, 1961	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961			as % of profit	others		
1.	Suresh Chand Jalthar (CFO)	23.17	-	-	-	-	-	-	-	23.17
2.	Praveen Sharma (CS)*	13.04	0.03	-	-	-	-	-	-	13.07



3.	Naveen Kumar Bothra (CS)**	2.81	-	-	-	-	-	-	-	2.81
4.	Ajai Kumar Gupta (CS)***	1.68	-	-	-	-	-	-	-	1.68

\*Sh. Praveen Sharma resigned as a Company Secretary of the Company effective from 30<sup>th</sup> June, 2018.

\*\*Sh. Naveen Kumar Bothra was appointed as a Company Secretary of the Company effective from 1<sup>st</sup> July, 2018 and resigned as Company Secretary of the Company effective from 5<sup>th</sup> January, 2019.

\*\*\*Sh. Ajai Kumar Gupta has been appointed as a Company Secretary of the Company effective from 14<sup>th</sup> February, 2019.

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

There were no penalties, punishments or compounding of offences during the year.

**For KLJ Resources Limited  
On behalf of the Board**

**(Hemant Jain)**  
Managing Director  
DIN: 00506995

**(Dilip Kumar Karn)**  
Director  
DIN: 00061804

Date: 4<sup>th</sup> September, 2019  
Place: New Delhi

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31st March, 2019**  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To  
The Members  
**KLJ Resources Limited**  
8 Cammac Street  
Kolkata-700 017

I, **Deepti Chawla**, Proprietor of Deepti Chawla & Associates, Company Secretaries have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KLJ Resources Limited (CIN: L67120WB1986PLC041487)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; -
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not applicable to the Company during the period of audit



- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - Not applicable to the Company during the period of audit
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - Not applicable to the Company during the period of audit and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - Not applicable to the Company during the period of audit
- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 and Environment (Protection) Act, 1986

I 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 Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was change in the composition of the Board of Directors that took place during the period under review.


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

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

I 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.

This Report is to be read with my letter of even date which is annexed along with this Report and forms an integral part thereof.

**For Deepti Chawla & Associates  
Company Secretaries**

  
Deepti Chawla  
**Proprietor**  
ACS No.: 15008  
C P No.: 8759



Place : New Delhi  
Date : 4<sup>th</sup> September 2019

**Deepti Chawla & Associates**  
Company Secretaries


Flat No 102, DDA SFS Flats  
Pkt.1 & 2, Sector3, Dwarka  
New Delhi-110078  
Ph : 9971067554  
Email Id : dchawla.cs@gmail.com

To  
The Members  
**KLJ Resources Limited**  
8 Cammac Street  
Kolkata-700 017

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

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

For **Deepti Chawla & Associates**

  
**Deepti Chawla**  
**Proprietor**  
ACS No.: 15008  
C P No.: 8759



Place: New Delhi  
Date: 4<sup>th</sup> September 2019

## **POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION POLICY**

### **A. Introduction**

This Policy on Directors Appointment and Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel has been formulated in accordance with the provisions of Section 178 of the Companies Act, 2013 (the Act) and SEBI Regulations by the Nomination and Remuneration Committee of the Directors of the Company.

### **B. Definitions**

**Directors:** Directors other than Managing Director(s) and Whole-time Director(s) appointed under the provisions of the Companies Act, 2013 and rules made there under.

**Key Managerial Personnel:** Managing Director, Chief Financial Officer and Company Secretary.

**Senior Management Personnel:** Members of the Corporate Leadership Team of the Company and Key Managerial Personnel.

### **C. Terms of Reference**

The Board of Directors of the Company has constituted a Nomination and Remuneration Committee. Its terms of reference are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Formulation of policies for remuneration to Directors, Key Managerial Personnel and Senior Management Personnel.
- Identification and recommendation to Board of persons who are qualified to become Directors, Key Managerial Personnel, Senior Management Personnel in accordance with the criteria laid down.
- Recommend to the Board on appointment and removal of Directors, Key Managerial Personnel, and Senior Management Personnel.
- Evaluation of the performance of Directors.

### **D. Criteria for recommending a person to become a Director**

The Committee shall take into consideration the following criteria of qualification, positive attributes and independence for recommending to the Board for appointment of a Director:

#### **1. Qualifications & Experience**

The incumbent should have appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, research, corporate governance, education, community service or other disciplines.

#### **2. Attributes/Qualities**

The incumbent Director should have one or more of the following attributes:

- Respect for and strong willingness to imbibe the Company's Core Values.
- Honesty and Professional integrity.
- Strategic capability with business vision.
- Entrepreneurial spirit and track record of achievements.
- Ability to be independent.
- Capable of lateral thinking.
- Reasonable financial expertise.
- Association in the fields of Business/Corporate world/Finance/Education/Community Service.

### **E. Eligibility Criteria & Remuneration of Key Managerial Personnel & Senior Management Personnel**

The eligibility criteria for appointment of key managerial personnel and senior management personnel shall be in accordance with the job description of the relevant position. In particular, the position of Key Managerial Personnel should be filled by senior personnel having relevant qualifications and experience.

The remuneration structure for Key Managerial Personnel and Senior Management Personnel shall be as per the Company's remuneration structure taking into account factors such as level of experience, qualification, performance and suitability which shall be reasonable and sufficient to attract, retain and motivate them.

The remuneration may consist of fixed and incentive pay/retention bonus reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.



The aforesaid employees may also be provided any facility, perquisites, commission, accommodation, interest free loans or loans at concessional rate in accordance with the policies framed for the employees or any category thereof. However loan to the Directors who are KMPs shall be governed by such approvals as may be required by the Companies Act, 2013.

**For KLJ Resources Limited  
On behalf of the Board**

**(Hemant Jain)**  
Managing Director  
DIN: 00506995

**(Dilip Kumar Karn)**  
Director  
DIN: 00061804

Date: 4<sup>th</sup> September, 2019  
Place: New Delhi



**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2018-19**

[Pursuant to Section 135 of the Companies Act 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014]

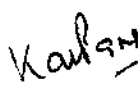
Sl. No.		
1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	Company's CSR policy is focused on enhancing the lives of the people. The Company has identified to promote its CSR activity in the specific area of health care including Preventive health care and sanitation. However, in furtherance of the Company's CSR initiatives, it may take up one or more additional projects/ programmes covered under Schedule VII of the Act as recommended by the CSR Committee. The Corporate Social Responsibility policy is available on the website of the Company ( <a href="http://www.kljresources.in">www.kljresources.in</a> ).
2.	The Composition of the CSR Committee	Smt. Kalpana Seth (Chairperson) Sh. Gulshan Rai Kanwal (Member) Sh. Sukh Raj Sethia (Member)
3.	Average net profit/(loss) of the company for last three financial years	Rs. 7,294.89 lakh
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 145.90 lakh
5.	Details of CSR spent during the financial year	Rs. 151.90 lakh
a	Total Amount to be spent for the financial year	Rs. 145.90 lakh
b	Amount unspent	Nil
c	Manner in which the amount spent during the financial year is detailed below:	

(Rupees in lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Health care including Preventive health care and sanitation	Health Care	Faridabad, Haryana	1,200.00 to 1,500.00	151.90	557.77	Direct: By Company

Responsibility Statement	The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.
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On behalf of the Board  
For KLJ Resources Limited

  
(Kalpana Seth)  
Chairperson, CSR Committee  
DIN: 06949098

  
(Dilip Kumar Karn)  
Director  
DIN: 00061804

Date: 4<sup>th</sup> September, 2019  
Place: New Delhi

**Part-I**
**Details of Remuneration of Employees and Directors**

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

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

And

- ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;-

Name	Designation	Directors Remuneration to Median Remuneration	Percentage increase in Remuneration
<b>Executive Director</b>			
Hemant Jain	Managing Director	242.63:1	29.21
<b>Key Managerial Personnel</b>			
Suresh Chand Jalther	Chief Financial Officer	-	5.17
Praveen Sharma*	Company Secretary	-	6.55
Naveen Kumar Bothra**	Company Secretary	-	-
Ajai Kumar Gupta***	Company Secretary	-	-
<b>Non-Executive Director</b>			
Dilip Kumar Karn	Director	0.03:1	-
Kalpna Seth	Director	0.03:1	-
Sudeep Mehta****	Director	-	-
Gulshan Rai Kanwal	Director	0.07:1	-
Sukh Raj Sethia	Director	0.07:1	-

Note: Remuneration includes sitting fees for Non-Executive (Non-Independent) Directors and Non-Executive Independent Directors.

\*Sh. Praveen Sharma, resigned as a Company Secretary of the Company effective from 30<sup>th</sup> June, 2018.

\*\*Sh. Naveen Kumar Bothra was appointed as a Company Secretary of the Company effective from 1<sup>st</sup> July, 2018 and resigned as Company Secretary of the Company effective from 5<sup>th</sup> January, 2019.

\*\*\*Sh. Ajai Kumar Gupta has been appointed as a Company Secretary of the Company effective from 14<sup>th</sup> February, 2019.

\*\*\*\*Sh. Sudeep Mehta, resigned as a Director from the Company effective from 31<sup>st</sup> July, 2018.

- iii. The percentage increase in the median remuneration of employees in the financial year 2018-19: 8.07%
- iv. The number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2019: 106
- v. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	6.00
Average increase in remuneration of managerial personnel	27.29

- vi. **Affirmation:**

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

**Part-II**


**[Details of Employees]**

**Section 197 of the Companies Act, 2013 and Rule 5 (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sl. No.	Particulars	Details
1.	Name	Sh. Hemant Jain
2.	Designation	Managing Director
3.	Remuneration (including Performance based Commission)	Rs. 10,43,22,183
4.	Nature of Employment	Contractual
5.	Qualification and Experience of the Employee	B.Com (Delhi University) and M.B.A (Harvard university) Experience: 23 Years
6.	Date of Commencement of Employment	1 <sup>st</sup> April, 2009
7.	Age	48 years
8.	Last employment held before joining the Company	NA
9.	Relationship with other Directors	NIL

**For KLJ Resources Limited  
On behalf of the Board**

  
**(Hemant Jain)**  
Managing Director  
DIN: 00506995

  
**(Dilip Kumar Karn)**  
Director  
DIN: 00061804

Date: 4<sup>th</sup> September, 2019  
Place: New Delhi

**A. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**
**Conservation of Energy**

Company continues to take measures towards conservation of energy through optimum utilization of energy and other resources. Utilization of energy intensive machines, procurement of energy efficient technologies etc. is done as part of energy conservation measures. The Company has been consistent in its efforts to conserve energy and natural resources and reduce consumption of power, fuel, oil, water and other energy sources by following strict adherence to:

1. Power saving processes and methods
2. Installation of Auto Power Cut-Off for electrical energy consumption.
3. Energy saving in utility by proper machine planning.
4. Proper training to the employees and workforce to ensure minimum wastage of energy and natural resources.

**Technology Absorption**

The Company has indigenized and absorbed technological changes. The Company continuously strives to meet international standards of precision through improvisation of existing processes, innovation and adaptation of new technologies and methods. The product quality has improved significantly due to better utilization of machines, improvised processes and enhanced precision.

**B. FOREIGN EXCHANGE EARNINGS AND OUTGO**
**a) Value of Imports calculated on CIF Basis**

(Rupees in lakh)

Sl. No.	Particulars	2018-2019	2017-2018
1.	Materials (Chemicals)	1,51,659.55	1,08,862.04

**b) Expenditure in Foreign Currency during the Year:**

(Rupees in lakh)

Sl. No.	Particulars	2018-2019	2017-2018
1.	Interest	306.64	161.42
2.	Travelling & Tour	36.01	24.83
3.	Business Promotion	1.15	5.11
4.	Membership & Subscriptions	2.47	6.28
5.	Survey Fees	-	1.14
6.	Clearing and Handling Charges	1.13	-
	<b>Total</b>	<b>347.4</b>	<b>198.78</b>


**c) Earning in Foreign Exchange**

(Rupees in lakh)

Sl. No.	Particulars	2018-2019	2017-2018
1.	Export of Goods calculated on F.O.B. basis	49.46	236.83
2.	Interest		0.43
	<b>Total</b>	<b>49.46</b>	<b>237.26</b>

For KLJ Resources Limited  
On behalf of the Board

  
(Hemant Jain)  
Managing Director  
DIN: 00506995

  
(Dilip Kumar Karn)  
Director  
DIN: 00061804

Date: 4<sup>th</sup> September, 2019  
Place: New Delhi

## CORPORATE GOVERNANCE REPORT

### **I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company's corporate governance philosophy is founded on the principles of fair and transparent business practices. The governance structures are created to protect the interests of and generate long term sustainable value for all stakeholders – customers, employees, partners, investors and the community at large. The business of the Company is governed and supervised by Board of Directors and together with the management they are committed to uphold the principles of excellence across all activities.

### **II. BOARD OF DIRECTORS**

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

The Board of Directors is entrusted with the ultimate responsibility of the management, corporate affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The functional Management of the Company is headed by the Managing Director of the company and has functional heads for every department, which look after the management of the day-to-day affairs of the Company.

#### **a) Composition of Board**

Your Company's Board has an optimum combination of Executive and Non-Executive Directors having adequate knowledge and experience for providing strategic guidance and direction to the Company. As on 31<sup>st</sup> March, 2019, the Board of Directors comprised of 5 (five) directors out of which 2 (two) were Independent Directors. The Board is headed by a Non-Executive Chairman. Accordingly, the composition of the Board is in accordance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter "SEBI Regulations") read with Section 149 of the Companies Act, 2013. The Composition of the Board as on 31<sup>st</sup> March, 2019 is as appended below:

Sl. No.	Name of Director	DIN	Category	Date of Joining the Board	No. of Shares held in the Company
1.	Sh. Hemant Jain	00506995	Executive/Managing Director	01/10/2005	1315200
2.	Sh. Dilip Kumar Karn	00061804	Non-Executive Director/ Chairman	10/10/1997	900
3.	Sh. Gulshan Rai Kanwal	07145698	Independent Director	31/03/2015	-
4.	Sh. Sukh Raj Sethia	01517777	Independent Director	31/03/2015	-
5.	Smt. Kalpana Seth	06949098	Non-Executive Director	14/08/2014	900

#### **b) Board Meetings and Board Procedures**

During the year, the Board of the Company met 7 (Seven) times on 2<sup>nd</sup> May, 2018, 30<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 4<sup>th</sup> September, 2018, 14<sup>th</sup> November, 2018, 2<sup>nd</sup> January, 2019 and 14<sup>th</sup> February, 2019. The maximum gap between any two Board meetings was less than 120 days as stipulated by Section 173 of the Companies Act, 2013 read with SEBI Regulations. Meetings of the Board were generally held at Corporate Office of the Company situated at New Delhi.

All the members of the Board were provided with requisite information as required as per SEBI Regulations well before the Board Meeting. None of the Directors is disqualified for appointment as director under Section 164 of the Companies Act, 2013.

Further, the company has received a certificate from Ms. Deepti Chawla, Practicing Company Secretary (ICSI CP No. 8759), New Delhi, confirming that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such other statutory authority.

The Board of Directors of your Company plays a pivotal role in ensuring good governance and functioning of the Company. The Board's role, functions, responsibility and accountability are clearly defined. All relevant information as mandated by the regulations is placed before the Board. The Board reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify the instances of non-compliances, if any.

**c) Details of core skills/expertise/competencies of the Board**

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the company which is currently available with the Board:

Dynamics Business	Understanding of core competence and business dynamics, industry trends and regulatory jurisdictions.
Strategy and Planning	Appreciation of long term objectives, strategic choices and experience in guiding and leading functional management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, creating long term effective stakeholder values and corporate ethics.

**d) Details of Familiarization Programme**

Details of familiarization programme of the Independent directors are available on the website of the Company (URL:<http://www.kljresources.in>).

**e) Inter-se relationship**

The Directors of the Company are not related inter- se.

**f) Directors' Attendance Record and Directorships**

Attendance of Directors at Board Meetings during the year, last Annual General Meeting ("AGM") and details of other Directorship and Chairmanship/Membership of Committees of each Director are appended below:

Sl. No.	Name of Directors*	No. of other Directorship*	No. of Committee Memberships / Chairmanships in other Indian Public Companies		Attendance Particulars			Directorship in other Listed Entity (Category of Directorship)
			Member**	Chairman**	No. of Board Meetings		Attendance at last AGM Attended	
					Held	Attended		
1.	Sh. Hemant Jain	Nil	Nil	Nil	7	3	No	-
2.	Sh. Gulshan Rai Kanwal	Nil	Nil	Nil	7	6	No	-
3.	Sh. Sukh Raj Sethia	Nil	Nil	Nil	7	6	No	-
4.	Sh. Dilip Kumar Karn	Nil	Nil	Nil	7	7	Yes	-
5.	Smt. Kalpana Seth	1	2	Nil	7	7	Yes	KLJ Plastics Limited (Non-Executive director)

**Notes:**

\* The Directorships held by Directors as mentioned above does not include KLJ Resources Limited, alternate directorships and directorships in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

\*\* In accordance with the SEBI Regulations, Memberships /Chairmanships of only the Audit Committees and Stakeholders Relationship Committee of all other public limited Companies have been considered.

**g) Independent Directors Meeting**

The Independent Directors met once during the year under review on 11<sup>th</sup> May, 2018 without the attendance of Non-Independent Directors. Both the Independent Directors were present in that meeting. The appointment of Independent Directors is in compliance with Section 149 read with schedule IV of the Companies Act, 2013 and with the provision of SEBI Regulations.

The Independent Directors in the said meeting had, *inter alia* reviewed the performance of non-Independent directors and the Board as a whole and the performance of the chairperson of the company, taking into account the views of executive director and

non-executive directors and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **h) Remuneration of Directors**

The remuneration of Managing Director is fixed by the Board of Directors upon the recommendation of Nomination and Remuneration committee and approved by the shareholders of the Company. The Non-Executive Directors are paid sitting fees for attending the Board Meetings. No Commission was paid to any Non- Executive Director for Financial Year 2018-19. Details of remuneration paid to the Executive Director of the Company and sitting fees paid to non-executive directors for the Financial Year 2018-19 have been provided below:

##### **• Executive Director/Managing Director**

(Rupees in lakh)			
Name of Director	Salary*	Commission	Total
Sh. Hemant Jain	93.22	950.00	1043.22

\*Salary includes basic salary, perquisites and allowances, contribution to provident fund etc.

##### **• Details of sitting fees paid to the Non-Executive Directors during the Financial Year 2018-19 are as mentioned below:**

(Rupees in lakh)		
Sl. No.	Name of Director	Sitting Fees
1.	Sh. Gulshan Rai Kanwal	0.30
2.	Sh. Sukh Raj Sethia	0.30
3.	Sh. Dilip Kumar Karn	0.14
4.	Smt. Kalpana Seth	0.14

### **III. COMMITTEES OF BOARD**

#### **a. Audit Committee**

The Board of the Company has duly constituted an Audit Committee, comprising of three Directors. As at 31<sup>st</sup> March, 2019, the Audit Committee comprised of one non-executive and two independent directors. The constitution of the Audit Committee meets the requirement of Section 177 of the Companies Act, 2013 and SEBI Regulations. All the members of the Committee were provided with requisite information as required by the SEBI Regulations.

The terms of reference of the Audit Committee include those specified under Regulation 18 of the SEBI Regulations as well as under Section 177 of the Companies Act, 2013 which *inter alia* include:

- to oversee the Company's financial reporting process and disclosure of its financial information,
- to recommend appointment, remuneration and terms of appointment of the Auditors of the Company,
- to review and monitor the Auditor's independence and performance, and effectiveness of audit process,
- to review quarterly and annual financial statements before submission to the Board and to advise and make recommendations to the Board on matters related to financial management of the Company, including Audit Reports,
- to approve or subsequently modify the transactions of the Company with the related parties,
- to scrutinize the inter-corporate loans and investments,
- to assess the value of undertakings or assets of the Company, whenever it is necessary,
- to review and discuss with Auditors about internal control system, major accounting policies and practices reviewing financial and Risk management policy of the company, in compliance with the SEBI Regulations and legal requirements concerning financial statements,
- to monitor the end use of funds raised through public offers and related matters and
- to carry out any other functions as mentioned in terms of reference to the Audit Committee.

The committee met 4 (four) times during the year under review. The meetings were held on 30<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and on 14<sup>th</sup> February, 2019. The Company Secretary of the Company acts as the Secretary to the Audit Committee. The composition of the Audit Committee and the attendance of the members at the meeting were as follows:

Sl. No.	Name of Member	Status	No. of Meetings during the financial year 2018-19	
			Held	Attended
1.	Sh. Gulshan Rai Kanwal	Chairperson	4	4
2.	Sh. Sukh Raj Sethia	Member	4	4
3.	Smt. Kalpana Seth	Member	4	4

**b. Nomination And Remuneration Committee**

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Regulations, the Board has constituted the Nomination and Remuneration Committee. The Committee *inter alia* reviews and approves the Annual salaries, commission, service agreement and other employment conditions for the Executive Director and senior management. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The Committee comprises of one non-executive and two independent Directors.

The role of Nomination and Remuneration Committee is as follows:

- To determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- To determine / recommend the criteria for qualifications, positive attributes and independence of Director;
- To identify candidates who are qualified to become Directors and recommend to the Board their appointment and removal;
- To review and determine all elements of remuneration package of Executive Director, i.e. salary, benefits, bonuses, pension etc;
- To review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- To determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- To formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole.

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

The Committee met 5 (five) times during the year under review. The Company Secretary of the Company acts as the Secretary to the Committee. The meetings were held on 29<sup>th</sup> May, 2018, 1<sup>st</sup> September, 2018, 12<sup>th</sup> November, 2018, 1<sup>st</sup> January, 2019 and on 12<sup>th</sup> February, 2019. The composition and the attendance of members at the meetings were as follows:

Sl. No.	Name of Member	Status	No. of Meetings during the financial year 2018-19	
			Held	Attended
1.	Sh. Sukh Raj Sethia	Chairperson	5	5
2.	Sh. Gulshan Rai Kanwal	Member	5	5
3.	Smt. Kalpana Seth	Member	5	5

**c. Stakeholders' Relationship Committee**

In terms of Section 178 of the Companies Act, 2013 and the SEBI Regulations, the Board has constituted a Stakeholders' Relationship Committee. The Committee *inter alia* looks into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports. During the year, the committee met 4 (four) times. The Meetings were held on 6<sup>th</sup> April, 2018, 18<sup>th</sup> July, 2018, 11<sup>th</sup> October, 2018 and on 11<sup>th</sup> January, 2019.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Sl. No.	Name of Member	Status	No. of Meetings during the financial year 2018-19	
			Held	Attended
1.	Smt. Kalpana Seth	Chairperson	4	4
2.	Sh. Dilip Kumar Karn	Member	4	4

During the year, Nil complaints were received and hence as on 31<sup>st</sup> March, 2019, there were Nil complaints pending with the Company. Sh. Ajai Kumar Gupta, Company Secretary of the Company acts as the Secretary to the Committee.

**d. Corporate Social Responsibility Committee**

The Board of Directors has constituted a Corporate Social Responsibility Committee (CSR Committee) of the Board in terms of the requirements of Section 135 of the Companies Act, 2013 and Rules framed thereunder. The CSR Committee consists of two Independent Directors and one Non- Executive Director. Smt. Kalpana Seth is the Chairperson of the Committee. The Company Secretary of the Company acts as the Secretary to the Committee.

Pursuant to the provisions of the CSR Policy of the Company, the CSR Committee met 2 (two) times during the year under review i.e. on 12<sup>th</sup> June, 2018 and 26<sup>th</sup> March, 2019. Members of the CSR Committee and their attendance at the meeting are detailed below:



Sl. No.	Name of Member	Status	No. of Meetings during the financial year 2018-19	
			Held	Attended
1.	Smt. Kalpana Seth	Chairperson	2	2
2.	Sh. Gulshan Rai Kanwal	Member	2	2
3.	Sh. Sukh Raj Sethia	Member	2	2

The Committee *inter alia* recommends the amount to be spent on CSR Projects/ Programmes undertaken by the Company and ensures implementation of the same in line with the CSR Policy of the Company.

#### IV. SUBSIDIARY MONITORING FRAMEWORK

The Company has six wholly owned Subsidiaries in India and one wholly owned Subsidiary based in UAE. None of the subsidiaries of the Company is a material subsidiary in terms of SEBI Regulations. The policy for determining 'material subsidiaries' is available on the website of the company and can be accessed at [www.kljresources.in](http://www.kljresources.in).

Financial Statements, in particular the investments made by the unlisted Subsidiary Companies, are reviewed by the Audit Committee of the Company. Minutes of the meetings of the unlisted Indian Subsidiary Companies are placed before the Company's Board. A statement containing significant transactions and arrangements entered into by the unlisted Subsidiary Companies is placed before the Company's Board.

#### V. COMPLIANCE OFFICER

During the year under review, Sh. Naveen Kumar Bothra has resigned from the position of Company Secretary and Compliance Officer of the Company effective from 5<sup>th</sup> January, 2019.

Sh. Ajai Kumar Gupta was appointed as Company Secretary of the Company effective from 14<sup>th</sup> February, 2019. The Board has designated Sh. Ajai Kumar Gupta, Company Secretary as Compliance Officer of the Company.

#### VI. GENERAL BODY MEETINGS

- The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue	No. of Special Resolution Passed
2015-2016	30 <sup>th</sup> September, 2016	10.00 A.M.	22, Ground Floor, Shanti Niketan Building, 8, Cammac Street, Kolkata-700 017	3
2016-2017	29 <sup>th</sup> September, 2017	10.00 A.M.	22, Ground Floor, Shanti Niketan Building, 8, Cammac Street, Kolkata-700 017	1
2017-2018	28 <sup>th</sup> September, 2018	10.00 A.M.	22, Ground Floor, Shanti Niketan Building, 8, Cammac Street, Kolkata-700 017	1

- Postal Ballot Held during the Financial Year 2018-19**

During the year under review the Company did not conduct any Postal Ballot.

#### VII. MEANS OF COMMUNICATION

During the year under review, financial results for the quarters ended 30<sup>th</sup> June, 2018, 30<sup>th</sup> September, 2018, 31<sup>st</sup> December, 2018 and the year ended 31<sup>st</sup> March, 2019, have been published in leading newspapers which include Political Business Daily, Morning India, Eastern Chronicle and also published in a vernacular language newspapers which include Sukhabar, Jugasankha. The Company has submitted all quarterly, half yearly and yearly compliances for the year ended on 31<sup>st</sup> March, 2019 to the Calcutta Stock Exchange Limited. The results are also displayed on the Company's website [www.kljresources.in](http://www.kljresources.in).

#### VIII. GENERAL SHAREHOLDERS INFORMATION

##### a. General Information

Particulars	Details
Registered Office	22, Ground Floor, Shanti Niketan Building, 8, Cammac Street, Kolkata-700 017
Annual General Meeting: Day/Date/Time/Venue	Monday, 30 <sup>th</sup> September, 2019 at 10.00 A.M. 22, Ground Floor, Shanti Niketan Building, 8, Cammac Street, Kolkata-700 017

<b>Financial Year</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March
<b>Book Closure</b>	Tuesday, 24 <sup>th</sup> September, 2019 to Monday, 30 <sup>th</sup> September, 2019 (both days inclusive)
<b>Dividend Payment Date</b>	The Board of Directors of the company has recommended a final dividend of Rs. 0.25 per equity share of Rs. 10 each for Financial Year 2018-19 subject to approval of the shareholders in the ensuing Annual General Meeting. The dividend, if declared at the general meeting, shall be paid on and from Friday, 4 <sup>th</sup> October, 2019 to the eligible shareholders.
<b>Listing on Stock Exchanges</b>	Calcutta Stock Exchange Limited ("CSE") 7, Lyons Range, Kolkata- 700 001 [Listed w.e.f. 16 <sup>th</sup> April, 1987] The Company has paid the Listing fee for the year 2019-20 to Calcutta Stock Exchange Limited.
<b>ISIN</b>	INE176K01019
<b>Stock Code</b>	021095
<b>Market Price Data</b>	The Equity Shares of the Company are not traded; hence market price data is not available.

**b. Tentative Calendar for the Financial Year 2019-20**

Particulars	Dates
First Quarter Results	Mid of August, 2019
Second Quarter Results	Mid of November, 2019
Third Quarter Results	Mid of February, 2020
Fourth Quarter and the year ended Results	Up to end of May, 2020

**c. Dematerialization of shares and liquidity**

1,05,52,500 Equity Shares of the Face Value of Rs. 10 each representing 98.25% of the Company's Equity Share Capital are in dematerialized form and 1,87,500 Equity Shares of the Face Value of Rs.10 each representing 1.75% of the Company's Equity Share Capital are in Physical form. The equity shares of the Company are listed on Calcutta Stock Exchange Limited. The equity shares of the Company are not actively traded.

**d. Reconciliation of Share Capital Audit**

As per the directives of the Securities & Exchange Board of India ("SEBI"), M/s Neelam Bansal & Associates, Company Secretary in whole time practice, New Delhi, undertake the Share Capital Audit on a quarterly basis. The purpose of the audit is to reconcile the total number of shares held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form with the admitted, issued and paid up capital of the Company.

The Share Capital Audit Reports as submitted by M/s Neelam Bansal & Associates, Company Secretary in whole time practice, New Delhi on quarterly basis were forwarded to the Calcutta Stock Exchange Limited where the Equity Shares of the Company are listed.

**e. Share Transfer System**

Pursuant to directions of SEBI, the facility to hold the Company's shares in electronic form is available to the shareholders as the Company is registered with both Depositories namely NSDL and CDSL. Share Transfer documents for physical transfer and requests for dematerialization of shares may be sent to Company's Registrar and Share Transfer Agent.

**f. Registrar & Share Transfer Agent**

R & D Infotech Private Limited  
1<sup>st</sup> Floor, 7A, Beltala Road, Kolkata-700 026  
Tel No: +91 33 24192641/42  
Fax No: +91 33 24761657  
Email: rdinfotec@yahoo.com  
Website: [www.rdinfotech.org](http://www.rdinfotech.org)

**g. Shareholding Pattern as on 31<sup>st</sup> March, 2019**

Category	Number of Shares Held	Percentage of Shareholding
Promoters & Promoters Group	6623228	61.67
Bodies Corporate (other than promoters)	4058572	37.79
Resident Individuals	58200	0.54
<b>Total</b>	<b>10740000</b>	<b>100.00</b>

**h. Outstanding GDRS/ADRS/Warrants or any Convertible Instruments, Conversion date and likely impact on Equity**  
As on the date of this report, there is no outstanding GDRs/ADRs/Warrants/or any other Convertible instruments.

**i. Investors' Correspondence may be addressed to: -**

**Sh. Ajai Kumar Gupta**  
Company Secretary  
KLJ Complex -I, B-39, Plot No.70,  
Shivaji Marg, Najafgarh Road,  
New Delhi- 110015  
E-mail: kljresources@kljindia.com

**IX. DISCLOSURES**

**a. Basis of related Party Transactions**

The details of all transactions with related parties are placed before the audit committee for its prior approval. The Company has entered into related party transactions as set out in the Notes to Accounts, which are not likely to have conflict with the interest of the Company at large.

**b. Whistle Blower Policy**

The Company encourages an open door policy where its employees have access to the head of the business/function. In terms of Company's Code of Conduct, any instance of non-adherence to the code/any other observed unethical behavior are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Head of Corporate Human Resources.

Further, the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provides adequate safeguards against victimization of Whistle Blower who avail of such mechanism. Under the Policy, every Director and employee has been provided direct access to the Chairman of the Audit Committee.

**c. Compliance with Corporate Governance Requirements specified in Regulations 17 to 27 and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46**

The company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended.

**d. Details of non-compliance by the Company**

There were no instances of non-compliance by the Company and no penalties, or structures were imposed on the Company by the Calcutta Stock Exchange Limited, where the Equity Shares of the Company are listed or SEBI or any other statutory authority on any matter related to capital markets during the last three years.

**e. Details of Total Fees paid to Statutory Auditors of the Company, on a consolidated basis**

M/s Kumar Chopra & Associates, Chartered Accountants (Firm Registration Number 000131N) New Delhi, are the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors fees on consolidated basis are given below:

Particulars	(Rupees in Lakh)	
	Amount	
Audit fee	5.48	
Tax Audit and certification work	0.50	
<b>Total</b>	<b>5.98</b>	

**f. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Details as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, have been given in the Directors' Report which forms part of the Annual Report.

**g. Code of Business Conduct and Ethics for Directors and Management Personnel**

The Board has framed a Code of Conduct ("Code") for all Board members and senior management of the Company. All Board members and senior management personnel have confirmed compliance with the Code for the financial year 2018-19. A declaration to this effect signed by the Managing Director of the Company forms part of this Annual Report.

**h. Disclosure of Accounting Treatment**

The Company has prepared its financial statements in accordance with Ind-AS for the year ended 31<sup>st</sup> March, 2019. In the preparation of Financial Statements, there was no treatment different from that prescribed in Accounting Standards that had been followed.

**i. Credit Ratings**

CRISIL Limited vide its letter dated 30<sup>th</sup> April, 2019 has provided CRISIL A+/ Positive (Reaffirmed) for long-term loan facilities and CRISIL A1+ (Reaffirmed) for short-term loan facilities availed by the company.

**j. Risk Management**

The Company has framed a Risk Management Policy to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that the executive management controls risk through means of properly defined framework. The Company's Risk Management Policy focuses on ensuring that risks are identified and addressed on a timely basis. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**k. Management Discussion And Analysis Report**

A Management Discussion and Analysis Report is given by means of a separate annexure forming part of this Annual Report.

**l. Proceeds from Public Issues, Rights Issues, and Preferential Issues etc.**


During the year under review, there were no proceeds from public issues, Right issues or preferential issues.

**m. Details of Compliances**

The Company is compliant with the applicable mandatory requirements of SEBI Regulations. The Company had submitted all quarterly compliances and the year end Compliances for the year ended on 31<sup>st</sup> March, 2019 to the Calcutta Stock Exchange Limited.

For KLJ Resources Limited  
On behalf of the Board

  
(Heman Jain)  
Managing Director  
DIN: 00506995

  
(Dilip Kumar Karn)  
Director  
DIN: 00061804

Date: 4<sup>th</sup> September, 2019  
Place: New Delhi



# NEELAM BANSAL & ASSOCIATES

(Company Secretaries)

B-197, Street No.2, Majlis Park, Adarsh Nagar, Delhi-110033

M. : +91-9555315118, 91-7982129456 Email : csneelambansal@gmail.com, nbaassociates14@gmail.com

## CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

Company Secretary's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Members of  
KLJ Resources Limited

This report contains details of compliance of conditions of corporate governance by KLJ Resources Limited ('the Company') for the year ended 31<sup>st</sup> March, 2019 as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with the Calcutta Stock Exchange Limited.

### **Management's Responsibility for compliance with the conditions of Listing Regulations**

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### **Company Secretary's Responsibility**

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance 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 Listing Regulations as applicable.

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

### **Restriction on use**

The certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

For Neelam Bansal & Associates  
Company Secretaries

(Neelam Bansal)

Proprietor

COP No.- 13239

Date: 4<sup>th</sup> September, 2019


Place: New Delhi





**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

As required under Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, it is hereby confirmed that for the year ended 31<sup>st</sup> March, 2019, the Directors of KLJ Resources Limited have affirmed compliance with the Code of Conduct for Board Members as applicable to them and members of the senior management have affirmed compliance with Code of Conduct as applicable to them.

  
**(Hemant Jain)**  
Managing Director  
DIN: 00506995

### CEO AND CFO CERTIFICATION

To  
The Board of Directors  
**KLJ Resources Limited**

We, the undersigned, in our respective capacities as the Managing director and Chief Financial Officer of KLJ Resources Limited ('the Company') to the best of our knowledge and belief certify that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2019 and to the best of our knowledge and belief, we state that:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.


(b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

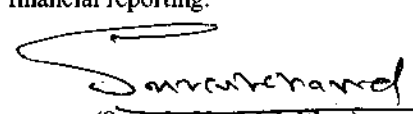
(c) We hereby declare that all the members of the Board of Directors and Senior Management have confirmed compliance with the Code of Conduct as adopted by the Company.

(d) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

- (i) significant changes, if any, in the internal control over financial reporting during the year;
- (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

  
**(Hemant Jain)**  
Managing Director  
DIN: 00506995

  
**(Suresh Chand Jalther)**  
Chief Financial Officer  
PAN: AAUPJ2690R

Date: 4<sup>th</sup> September, 2019  
Place: New Delhi

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE YEAR 2018-2019

### INDIAN ECONOMY

During the year, Indian economy grew by 6.8% and continues to be the fastest growing large economy. Growth was propelled by private spending, industry, manufacturing and capital formation. Exports continued to post a healthy growth of 9.1% in 2018-19 on top of 10% growth posted in the previous fiscal. Despite this, GDP growth during the year was lower than 7.2% recorded in 2017-18. The slippage in momentum was on account of deceleration in agriculture and services sectors and government spending. Besides, there was deceleration in growth of non-oil imports, mainly capital goods and gold. In the last quarter of 2018-19, the economy's performance was subdued in particular; growth in the quarter fell to 5.8% on account of slowdown in industry sector and investment expenditure along with decline in output in the agriculture sector.

On the macroeconomic front, India posted a mixed performance. On the positive side, retail inflation measured by CPI slowed down to 3.41%, its lowest level in the last seven years. This was mainly on account of muted food prices, while inflation in other goods and services did exhibit stubbornness and fuel prices were under pressure as well. Moderation in inflation and slippages in growth prompted RBI to usher in rate cuts. RBI reduced repo rate by 75 basis points in 2018-19, taking it to 6.25%. On the fiscal front, India's fiscal deficit during the year stood at 3.4% of GDP, missing the target (BE) of 3.3%. India's current account deficit widened to an estimated 2.3% of GDP from 1.9% of GDP in 2017-18 on account of weakness in net service imports along with a larger trade deficit. On the upside, net foreign direct investment inflows at \$34.6 billion in 2018-19 were higher than the previous year. Foreign portfolio investments, however, turned negative during the year on account of global cues such as rising oil prices, US China trade war, rate hikes in the US and domestic concerns. Rupee depreciated against the US Dollar by 7.8%, reflecting the widening current account deficit and weak foreign investment flows.

Looking ahead, growth is expected to accelerate in the current fiscal. Policy rate cuts by RBI, continued improvement in banking sector, health post-introduction of Insolvency & Bankruptcy Code, 2016, farmers income support, etc., are expected to boost domestic demand.

### INDUSTRY OVERVIEW

Indian chemical industry is one of the fastest growing in the world. Currently it ranks 3<sup>rd</sup> in Asia and is 6<sup>th</sup> largest market in the world with respect to output after USA, China, Germany, Japan and Korea. Chemical industry is the mainstay of industrial and agricultural development of the country and provided building blocks for several downstream industries such as textiles, papers, paints, soaps, detergents, pharmaceuticals, vanish etc. covering more than 80,000 products this industry services large number of end use application industries. In India it is estimated that more than 2Mn people are employed in this industry.

Indian Chemical industry comprises of both small scale as well as large scale units. With initiatives like "Make in India" program gaining steam, investments, innovation and infrastructure are going to be the major thrust area for chemical industry players. The current per capita consumption of chemical products in India is about 1/10<sup>th</sup> of the world average, indicating that the demand potential is yet to be realized. Moreover, India has a very strong outlook for the key end user industries. Going ahead, it is estimated that the demand of chemical products is expected to grow at ~9% p.a. over the next five years and is pegged at 1.2xGDP growth.

Productions of Petrochemicals have marginally increased by 1.1% over last year and chemicals have grown by 8%. Production growths in chemicals are mainly driven by products of Chlore-Alkali industry. Indian chemical industry's growth is largely driven by country's consumption growth story. Per capita consumption of chemicals India is 1/10<sup>th</sup> of world average, and even among developing countries Indian consumption is low. This makes India a very attractive destination to invest and grow. In past two years the absolute consumption of chemicals (Both Petrochemicals and Chemicals) increased by more than 1.2 MM MT. Among the petrochemicals, the growth is mainly derived from import substitution. Each year India imports more USD 13 Bn. worth of petrochemicals, mainly for the want of feedstocks. With better supply chain solutions and technology, there exist an opportunity to manufacture petrochemical intermediates in India.

Indian peninsula is centrally located between the East and the West of Asia. It is also centre of the trans-Indian Ocean routes which connect the European countries in the west and the countries of East Asia. India could establish close contacts with West Asia, Africa and Europe from the western coast and Southeast and East Asia from the eastern coast. Besides India's proximity to Middle East countries provide access to petrochemical feedstocks at low cost. Centre of global maritime trade is expected to move from the Pacific to the Indian Ocean region as India and China will become the largest manufacturing hubs of the world by 2030.

India has the potential of becoming no. 4 chemicals consuming country given the huge market. But whether the demand will be met by domestic production has a question mark. That is in the context of the emerging market scenario, with the gap between supplies and demand continuously increasing in recent years and the same being catered by imports. New investments are very few in the chemical sector, which is a matter of concern. The sector needs global scale infrastructure, logistics, ease of doing business and feedstock at competitive prices to be made available. At present each chemical unit has to create specialized facilities on its own.



## **BUSINESS OVERVIEW**

The Company is primarily engaged in the business of trading of petrochemical products. Over a period of time the Company has become one of the leading importers of petrochemical products in India. Due to increasing demand of finished products in India as well as in overseas market, the Company has also entered into manufacturing of wide range of specialty chemicals and de-aromatized solvents including blending of base oils to take lead in the market. Product range of the Company covers a range of paraffins, alcohols, aromatics, ketones, monomers, acetates and amines to name a few. The Company has strong tie-ups with leading global players which ensure cost effective and uninterrupted supply to its customers. With pan India presence of marketing network, storage tanks with sales of over 2,80,000 mt/per year, drumming and distribution facilities, the Company leverages on its modern lab testing facilities to provide comprehensive and complete solutions, ensuring satisfaction across the value chain.

During the year under review, on standalone basis the Company achieved total revenue of Rs. 1,73,466.55 lakh from operations as compared to Rs. 1,34,413.92 lakh in the corresponding previous year. EBIDTA for the year was Rs. 6,887.22 lakh as compared to Rs. 9,455.90 lakh for the previous year. Profit after Tax (PAT) stood at Rs. 3,715.47 lakh as against Rs. 5,558.56 lakh in the previous year.

During the year under review, on consolidated basis the Company achieved total revenue of Rs. 1,80,709.20 lakh from operations as compared to Rs. 1,47,443.33 lakh in the corresponding previous year. EBIDTA for the year was Rs. 7,183.51 lakh as compared to Rs. 10,179.04 lakh for the previous year. Profit after Tax (PAT) stood at Rs. 3,588.92 lakh as against Rs. 5,991.57 lakh in the previous year.

## **STRENGTHS**

Our Company has the following principle competitive strengths:

- Positioned strategically to realize opportunities in the sector
- Experience and end to end expertise in the trading and manufacturing products.
- Sustained investment in equipment and fixed assets
- Professional Board and Management Team

The steady growth of the Company owes itself to the unerring strategy of leveraging its core competencies and drawing heavily upon past experience by Company's management. An effective combination of energy, excellence and endurance is evident everywhere from the operational sites to the administrative division. The result, a holistic growth pattern that has seen the company grows into a preferred choice for its customers.

## **KEY CHALLENGES**

**Volatility in raw material prices:** More than 50% of global petrochemical capacities are based on naphtha, a crude oil derived product. The prices of crude oil products have witnessed significant volatility, thereby making petrochemicals prices highly volatile.

**Increased competition:** Large capacity additions taking place in ethane rich Middle East and demand rich China. Out of the 30 million tons of ethylene capacity additions expected during the period from 2014 to 2019, 9 million tons is expected in Middle East alone. Since, ethane based petrochemical products are cheaper than petrochemical products in India, domestic producers are expected to witness margins pressure.

**High entry barriers:** Given the capital intensive nature of the petrochemical plant and tariff barriers, new entrants and small and medium size companies are prohibited from easily entering into the market.

## **OPPORTUNITIES**

**Backward & forward integration:** Given the volatility of crude oil prices and India's heavy dependency on oil imports, there is an opportunity for oil and oil related companies to reap benefits of increase in presence across the value chain.

**Improved feedstock supply:** Availability of feedstock dictates the location of the plant. Domestic products are uncompetitive due to high costs of naphtha when compared with ethane based products from Middle East. One way to improve the competitiveness of the domestic products is by improving the infrastructure support as is the case in Middle East, China and Singapore. Also going forward, as more natural gas becomes available in India, the domestic players are likely to shift from naphtha to cheaper natural gas thereby increasing their competitiveness in the market.

**More value-added products in portfolio:** Demand for performance plastics such as biodegradable polymers is expected to be on rise across the world including India. Given the environment concerns with traditional plastics, companies should look at expanding their portfolio and include more value added products.

**Increased geographical presence:** Given the capital intensive nature of the project and high costs associated in India (due to no duty waivers, no/ very less tax exemptions and high interest costs), the domestic companies may also look outside for organic and

inorganic opportunities. Many western companies such as Dow, Shell, etc. are increasing their presence in energy rich countries like Saudi Arabia, Kuwait, Qatar, etc. and setting up manufacturing facilities.

### **FUTURE OUTLOOK**

The chemical industry which had long been out of favor is finally getting its groove back. Despite a spate of headwinds, the highly cyclical industry has maintained its performance, helped by continued strength across automotive and construction markets, two major end-use markets for chemicals.

Chemical companies continue to shift their focus on attractive, growth markets in an effort to cut their exposure on other businesses that are grappling with weak demand. The industry is also seeing a pick-up in consolidation activities as chemical makers are increasingly looking for cost synergy opportunities and enhanced operational scale in a still-difficult global economic environment.

### **RISKS AND CONCERNS**

The Company has framed a Risk Management Policy in accordance with Companies Act, 2013 read with SEBI Regulations. Accordingly, the Company has constituted a Risk Management Committee which reviews the key risks, concerns and mitigation plans at regular intervals. Risk assessment, Risk Management, Risk Monitoring and Risk Mitigation measures are adopted by the Company for timely action. By identifying and proactively addressing risks and opportunities, the objective is to build and maintain sustainable, robust business models and to protect and create value for all the stakeholders, including shareholders, employees, customers, regulators, and the community. Risks related to the Company and our responses to mitigate them are discussed below.

#### **Strategic Risks**

Strategic risks refer to long-term strategy and plans of the Company, including risks associated with macro environment in which the Company operates global petrochemical industry, growth projects and competitiveness of our operations. The Company has in place a well-developed framework to mitigate the strategic risks.

#### **Operational Risks**

Operational risks refer to risks impacting operations of the Company. It includes *inter alia* supply chain, employee productivity, health and safety of employees and environmental impact and risks to business reputation. The Company is exposed to various risks which impact Company's reputation such as labour relations, product mix, innovations and effective deployment of technology. The Company has in place a crisis management plan and is committed to servicing customers and stakeholders effectively. A key operational component is supply chain of raw materials and the costs associated with it. Supply chain disruptions could increase the operating costs and disruption in supply and volatility in the prices of raw materials poses a significant risk to operations and operating costs. The Company closely monitors the developments in supply chain and effective steps are taken to mitigate all operational risks.

#### **Financial Risks**

Financial risks refer to ability of the Company to meet financial obligations and lessen the impact of various factors like interest rates, foreign currency exchange rates etc. The Company always endeavors not to have a significant level of indebtedness and ensures availability of adequate cash to meet operational and working capital requirements as well as adverse situations.

Credit Risk is a threat to any company and in order to mitigate this, the Company undertakes a systematic assessment of the financial health of its customers. Raw material price risks are mitigated through well planned and timely purchases and also by entering into formula-based pricing with customers. Currency fluctuation risks are proactively managed through simple hedge with forward contracts/option.

#### **Legal and Compliance Risks**

Legal and compliance risks refer to risks arising from outcome of legal proceedings, government action and/or regulatory action, which could result in additional costs. The Company is subject to various laws, regulations and contractual commitments. The risk of substantial costs, liabilities and damage to reputation related to non-compliance of these laws and regulations are inherent to the Company's business. The Company has policies, systems and procedures in place aimed at ensuring substantial compliance and there is a strong commitment from the management to enforce compliance.

### **INTERNAL CONTROL SYSTEMS**

The company has proper and adequate system of internal controls commensurate with its size and nature of operations to provide assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly; applicable status, the code of conduct and corporate policies are duly complied with.

The Company has an internal auditor which conducts audit in various functional areas as per audit programme approved by the Audit Committee of the Board of Directors. The internal auditor reports its findings and observations to the audit committee, which meets at regular intervals to review the audit issues and to follow up implementation of corrective actions. The committee



also seeks the views of statutory auditors on the adequacy of the internal control system in the company. The audit committee has majority of independent directors to maintain the objectivity.

#### **HUMAN RESOURCES DEVELOPMENT**

Employees are the key to achieve the Company's objectives and strategies. The Company provides to the employees a fair and equitable work environment and support from their peers with a view to develop their capabilities leaving them with the freedom to act and to take responsibilities for the tasks assigned. The Company strongly believes that its team of capable and committed manpower, which is its core strength, is the key factor behind its achievements, success and future growth.

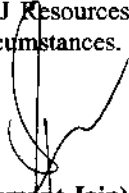
We are continuously working to create and nurture an organization that is highly motivated, result oriented and adaptable to the changing business environment. The industrial relations remained cordial during the year.


#### **FORWARD LOOKING STATEMENTS**

This communication contains statements that constitute 'forward looking statements' including, without limitation, statements relating to the implementation of strategic initiatives and other statements relating to our future business developments and economic performance. While these forward looking statements represent the management's judgments and future expectations concerning the development of our business a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations.

These factors include but not limited to general Market, Macro Economics, Governmental, regulatory trends, movement in currency exchange, interest rate, competitive pressures, technological developments, changes in Financial Conditions of third party dealing with us, legislative developments and other key factors that could adversely affect our business and Financial Performance.

KLJ Resources Limited undertakes no obligation to publicly revise any forward looking statements to reflect future events or circumstances.

  
**(Hemant Jain)**  
Managing Director  
DIN: 00506995

  
**(Dilip Kumar Karn)**  
Director  
DIN: 00061804

Date: 4<sup>th</sup> September, 2019  
Place: New Delhi



## INDEPENDENT AUDITOR'S REPORT

To the Members of KLJ RESOURCES LIMITED

### Report on the Audit of the Standalone Ind AS Financial Statements

#### 1. Opinion

We have audited the accompanying standalone Ind AS financial statements of **KLJ RESOURCES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind-AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian accounting standards (Ind-AS) specified u/s 133 of the Act, of the state of affairs of the Company as at March 31, 2019 and Profit including other comprehensive income and cash flow and the changes in equity for the year ended on that date.

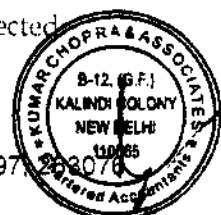
#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Information other than the standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The report is expected to be made available to us after the date of this Auditor's Report.

So



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

In connection with our audit of the standalone financial statement, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 therein, we are required to communicate the matter to those charged with governance.

#### 4. Management's Responsibility for the Ind AS Financial Statements

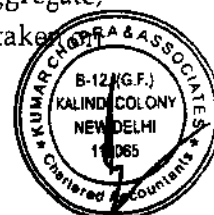
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, (Changes in Equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### 5. Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.



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

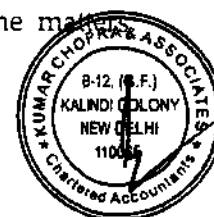
- i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## 6. Report on Other Legal and Regulatory Requirements

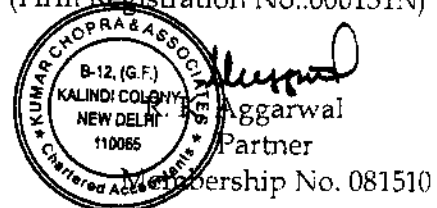
- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. 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, the Cash flow statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The company does not have any pending litigation;
  - b. The company did not have any long term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place New Delhi  
Date: 29.05.2019

For Kumar Chopra & Associates  
Chartered Accountants  
(Firm Registration No.:000131N)



ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Annexure to the Independent Auditors' Report referred to in paragraph 6(I) of our report of even date on the standalone Ind AS Financial Statements of KLJ RESOURCES LIMITED for the Year ended 31st March, 2019

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) The fixed assets have been physically verified by the management during the year at reasonable interval. No material discrepancies were noticed on such verification.  
c) The title deed of immovable property is in the name of the company.
2. According to the information and explanation given to us, the inventories have been physically verified by the management during the year. In our opinion, having regard to nature and location of inventory, the frequency of verification is reasonable and no material discrepancies were noticed on such verification.
3. In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 & 136 of the companies act 2013 in respect of Loans granted, investments made or guarantees provided.
5. According to the information and explanation given to us, the company has not accepted any deposit during the year from the public
6. We have broadly reviewed the cost records specified by the Central Govt. u/s 148(1) of the Act, maintained by company and we are of the opinion that prima facie the prescribed cost records have been maintained. We have however, not made a detailed examination of the cost records with view to determine whether they are accurate or complete.
7. a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amount payable in respect of any statutory dues were outstanding as at 31-03-2019 for a period of more than six months from the date they become payable.  
b) According to the information and explanation given to us, there are no disputed dues of income tax or sales tax or wealth tax or service tax or custom duty or excise duty or value added tax or cess or any other statutory dues which have not been deposited on account of any dispute except for the following:  
Nature: Income Tax demand for the AY 2016-17 raised u/s 143(3)





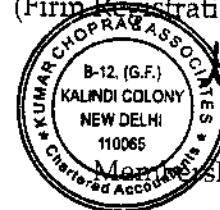
Amount of Tax: 268131/- (Entire disputed)

Pending at: Income Tax Appeal before the Hon'ble CIT Appeals 30 New Delhi.

8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, government or bank or debenture holders.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The company has short Term loans which have been applied by the company for the purpose for which they were raised.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no fraud on the company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us, the managerial remuneration has been paid in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V of the Companies Act, 2013.
12. The Company is not a Nidhi Company and hence Para (xii) is not applicable.
13. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with provisions of section 177 and 188 of the Companies Act, 2013 as applicable and adequate disclosures have been made in the financial statements as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year.
15. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with the directors or persons connected with them under the provisions of section 192 of the Companies Act, 2013.
16. In our opinion and as per the information and explanation given to us, the company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

Place New Delhi  
Date: 29.05.2019

For Kumar Chopra & Associates  
Chartered Accountants  
(Firm Registration No.:000131N)



R. K. Aggarwal  
Partner

Membership No. 081510

## ANNEXURE "B" TO INDEPENDENT AUDITOR'S REPORT

Annexure to the Independent Auditors' Report referred to in paragraph 6(II)(f) of our report of even date on the standalone Ind AS financial statements of **KLJ RESOURCES LIMITED** for the Year ended 31st March, 2019

### 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 **KLJ Resources Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

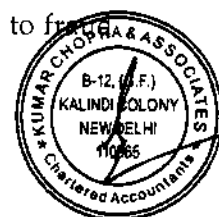
#### *Management's Responsibility for Internal Financial Controls*

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

#### *Auditors' Responsibility*

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

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



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

*Meaning of Internal Financial Controls Over Financial Reporting*

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

*Inherent Limitations of Internal Financial Controls Over Financial Reporting*

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

*Opinion*

In our opinion, 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, 2019, 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.

Place New Delhi  
Date: 29.05.2019

For Kumar Chopra & Associates  
Chartered Accountants  
(Firm Registration No.:000131N)



K. Aggarwal  
Partner  
Membership No. 081510



**STANDALONE BALANCE SHEET AS AT 31st MARCH, 2019**

(Rupees in Lakhs)

Sl. No.	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
<b>ASSETS</b>				
<b>1</b>	<b>Non-current Assets</b>			
(a)	Property, Plant and Equipment	2a	167.32	203.37
(b)	Investment Property	2b	650.37	682.79
(c)	Other Intangible assets	2c	5.18	1.70
(d)	Financial Assets			
(i)	Investments	3	5,931.90	3,258.95
(ii)	Others	4	310.97	291.19
(e)	Deferred tax assets (Net)	5	-	-
(f)	Other non-current assets	6	55.57	34.17
<b>2</b>	<b>Current Assets</b>			
(a)	Inventories	7	43,218.06	37,625.81
(b)	Financial Assets			
(i)	Investments		-	-
(ii)	Trade receivables	8	27,427.38	19,420.20
(iii)	Cash and cash equivalents	9	104.52	18.87
(iv)	Bank balances other than (iii) above	10	3,261.90	2,312.53
(v)	Loans	11	7,250.67	5,783.41
(vi)	Others	12	1,999.18	2,152.77
(c)	Current Tax Assets (Net)	13	-	-
<b>TOTAL ASSETS</b>			<b>90,383.02</b>	<b>71,785.76</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity</b>			
(a)	Equity Share capital	14	1,074.00	1,074.00
(b)	Other Equity	15	37,568.64	33,676.25
<b>2</b>	<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>				
(a)	Provisions	16	74.37	98.99
(b)	Deferred tax liabilities (Net)	5	63.04	100.45
(c)	Other non-current liabilities	17	98.48	115.46
<b>Current Liabilities</b>				
(a)	Financial Liabilities			
(i)	Borrowings	18	13,980.15	16,226.49
(ii)	Trade payables	19	35,418.91	18,532.04
(iii)	Other financial liabilities (other than those specified in item (c))	20	39.92	74.19
(b)	Other current liabilities	21	1,858.80	1,653.39
(c)	Provisions		-	-
(d)	Current Tax Liabilities (Net)	13	206.71	234.52
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>90,383.02</b>	<b>71,785.76</b>

**Significant Accounting Policies**

The accompanying notes to the standalone financial statements

1  
2 to 50

As per our report of even date attached  
For Kumar Chopra & Associates  
Chartered Accountants  
Firm Registration No. 110006

R.K. Aggarwal  
Partner  
M.No. 081510  
New Delhi, 29th May 2019



For & on behalf of the Board of Directors

Hemant Jain  
Managing Director  
Din: 00506995

Dilip Kumar Karn  
Director  
Din: 00061804

Suresh Chand Jalthar  
Chief Financial Officer

Ajai Kumar Gupta  
Company Secretary



**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019**

(Rupees in Lakhs)

	Note No.	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>INCOME</b>			
I Revenue from Operations (Gross)	22	1,99,080.41	1,49,478.76
Less, Excise & GST		27,094.11	16,482.81
Revenue from Operations (Net)		1,71,986.30	1,32,995.95
II Other income	23	1,480.25	1,417.97
III <b>TOTAL INCOME (I+II)</b>		<b>1,73,466.55</b>	<b>1,34,413.92</b>
<b>IV EXPENSES</b>			
Cost of Material Consumed	24	6,149.39	5,622.47
Purchase of Stock-In-Trade	25	1,62,439.81	1,19,639.86
Changes in inventories of Finished Goods & Stock in Trade	26	(5,501.24)	(5,015.72)
Employee Benefits Expenses	27	1,859.58	1,637.29
Finance Costs	28	1,075.32	740.92
Depreciation and Amortization Expense	2	94.47	91.89
Other Expenses	29	1,631.79	3,074.12
<b>TOTAL EXPENSES (IV)</b>		<b>1,67,749.12</b>	<b>1,25,790.83</b>
V <b>PROFIT/ (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>5,717.43</b>	<b>8,623.09</b>
VI <b>Exceptional Items</b>		-	-
VII <b>PROFIT/ (LOSS) BEFORE TAX (V-VI)</b>		<b>5,717.43</b>	<b>8,623.09</b>
VIII <b>Tax Expenses</b>			
1) Current Tax		2,022.00	3,070.00
2) Deferred Tax		(3.70)	(1.54)
3) Short/(Excess) Provision for Earlier Year		(16.34)	(3.93)
IX <b>PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VII-VIII)</b>		<b>3,715.47</b>	<b>5,558.56</b>
X <b>PROFIT/ (LOSS) FROM DISCONTINUED OPERATIONS</b>		-	-
XI <b>TAX EXPENSE OF DISCONTINUED OPERATIONS</b>		-	-
XII <b>PROFIT/ (LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X-XI)</b>		-	-
XIII <b>PROFIT/ (LOSS) FOR THE PERIOD (IX+XII)</b>		<b>3,715.47</b>	<b>5,558.56</b>
XIV <b>OTHER COMPREHENSIVE INCOME</b>	30		
A (i) Items that will not be reclassified to Profit or Loss		175.57	156.02
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		33.73	(149.90)
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
XV <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (XIII+XIV) (Comprising Profit/(Loss) and other comprehensive income for the period)</b>		<b>3,924.77</b>	<b>5,564.68</b>
XVI <b>Earnings Per Equity Share (Continuing Operations):</b>	31		
Basic		34.59	51.76
Diluted		34.59	51.76
<b>Significant Accounting Policies</b>	1		
<b>The accompanying notes to the standalone financial statements</b>	2 to 50		

As per our report of even date  
For Kumar Chopra & Associates  
Chartered Accountants

Firm Registration No. 000744

R.K. Aggarwal

Partner

M.No. 081510

New Delhi, 29th May 2019



For & on behalf of the Board of Directors

Hemant Jain  
Managing Director  
Din: 20506995

Dilip Kumar Karn  
Director  
Din: 00061804

Suresh Chand Jaitheer  
Chief Financial Officer

Ajai Kumar Gupta  
Company Secretary



STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH 2019

A. EQUITY SHARE CAPITAL (Rupees in Lakhs)

Particulars	Amount in Rs.
Balance as at 31st March 2018	1,074.00
Changes in equity share capital during the year	-
Balance as at 31st March 2019	1,074.00

B. OTHER EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2019

(Rupees in Lakhs)

Particulars	Reserves and Surplus				Revaluation Surplus	Other Items of Other Comprehensive Income		Total Amount
	Capital Reserve	Securities Premium Reserve	Other Reserves	Retained Earnings		Gratuity Planned Assets	Fair Value of Investment	
Balance as at 01st April 2018	291.34	3,819.60	-	29,108.53	-	23.60	433.15	33,676.22
Profit for the year	-	-	-	3,715.48	-	1.70	207.59	3,824.77
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	291.34	3,819.60	-	32,824.02	-	25.30	640.74	37,600.99
Dividends	-	-	-	(32.37)	-	-	-	(32.37)
Transfer to retained earnings	-	-	-	-	-	-	-	-
Issue of Bonus Share	-	-	-	-	-	-	-	-
Balance as on 31st March 2019	291.34	3,819.60	-	32,791.64	-	25.30	640.74	37,568.64

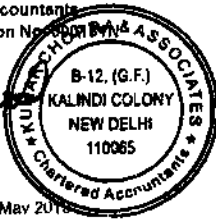
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2018

Particulars	Reserves and Surplus				Revaluation Surplus	Other Items of Other Comprehensive Income		Total Amount
	Capital Reserve	Securities Premium Reserve	Other Reserves	Retained Earnings		Gratuity Planned Assets	Fair Value of Investment	
Balance as at 01st April 2017	291.34	4,177.60	-	23,549.97	-	33.42	417.22	28,469.55
Profit for the year	-	-	-	5,558.56	-	(9.82)	15.93	5,564.67
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	291.34	4,177.60	-	29,108.53	-	23.60	433.15	34,034.22
Dividends	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-
Issue of Bonus Share	-	(358.00)	-	-	-	-	-	(358.00)
Balance as on 31st March 2018	291.34	3,819.60	-	29,108.53	-	23.60	433.15	33,676.22

For & on behalf of the Board of Directors

As per our report of even date  
For Kumar Chopra & Associates  
Chartered Accountants  
Firm Registration No. 0000000000

R.K. Aggarwal  
Partner  
M.No. 081510  
New Delhi, 29th May 2019



Hemant Jain  
Managing Director  
Din: 00506995

Suresh Chand Jaitheer  
Chief Financial Officer

Dilip Kumar Karn  
Director  
Din: 00061804

Ajai Kumar Gupta  
Company Secretary



## K L J Resources Limited

Regd. Office: 8, Camac Street, Kolkata-700017

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2019**

	31st March, 2019	(Rupees in Lakhs) 31st March, 2018
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	5,717.43	8,623.09
Add: Adjustments for non cash items:		
Depreciation	94.47	91.89
Add: Adjustments for other items:		
Loss/(Profit) on Sale / Discard of Assets (net)	(1.93)	(0.67)
Loss/(Profit) on Sale of shares (net)	(24.63)	(2.94)
Finance Costs	1,075.32	740.92
CSR Expenses	151.90	210.87
Less:		
Dividend Income	(0.12)	(0.79)
Interest Income	(940.35)	(945.78)
Other Comprehensive Income	175.57	156.02
<b>Operating Profit before Working Capital Changes</b>	<b>6,247.66</b>	<b>8,872.80</b>
<b>Adjustment for increase/decrease in operating assets</b>		
(Increase)/Decrease Trade and Other Receivables	(8,007.18)	(500.44)
(Increase)/Decrease in Inventories	(5,592.25)	(4,164.25)
(Increase)/ Decrease in other financial assets	133.81	(1,024.87)
<b>Adjustment for Increase/decrease In operating liabilities</b>		
Increase/(Decrease) Trade and Other Payables	16,886.87	(6,876.47)
Increase/(Decrease) other current liabilities	205.41	(1,467.02)
Increase/(Decrease) other financial liabilities	(34.27)	43.11
Increase/(Decrease) Provisions	(24.62)	13.69
Cash Generated from Operations	9,815.43	(5,103.65)
Taxes Paid (net)	2,033.47	2,767.28
<b>Net Cash from Operating Activities</b>	<b>7,781.96</b>	<b>(7,870.93)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(30.16)	(63.44)
Sale of Fixed Assets	2.64	6.35
(Increase)/Decrease in Loans and Advances	(1,467.26)	735.50
(Increase)/ Decrease in other non current assets	(21.40)	9.12
(Increase)/Decrease in Non Current Investments	(2,672.95)	(403.64)
Increase/(Decrease) other non current liabilities	(16.98)	3.10
Interest received	940.35	945.79
Increase/ (Decrease) in Other Bank Balance including FDR's	(949.37)	516.75
Profit on Sale of Shares	24.63	2.94
Dividend Income	0.12	0.79
CSR Expenses	(151.90)	(210.87)
<b>Net Cash (used in) Investing Activities</b>	<b>(4,342.28)</b>	<b>1,642.19</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	-	(19.46)
Dividends Paid (Including Dividend Distribution Tax)	(32.37)	-
Short Term Borrowings (net)	(2,246.34)	7,070.37
Finance Costs	(1,075.32)	(740.92)
Net Cash (used in) / from Financing Activities	(3,354.03)	6,309.99
<b>Net Cash inflows/( outflows) from activities</b>	<b>85.65</b>	<b>(18.75)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>85.65</b>	<b>(18.75)</b>
Opening Balance of Cash and Cash Equivalents	18.87	37.62
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>104.52</b>	<b>18.87</b>

The above cash flow statement has been prepared under the indirect Method as set out in Ind AS-7

As per our report of even date  
For Kumar Chopra & Associates  
Chartered Accountants  
Firm Registration No. 000130

R.K. Aggarwal  
Partner  
M.No. 081510  
New Delhi, 29th May 2019



For & on behalf of the Board of Directors

Hemant Jain  
Managing Director  
Din: 00006995

Dilip Kumar Kam  
Director  
Din: 00001804

Suresh Chand Jaitter  
Chief Financial Officer

Ajal Kumar Gupta  
Company Secretary



## **1. SIGNIFICANT ACCOUNTING POLICIES**

### **1.1 Corporate Information**

KLJ Resources Limited ("the Company") is a listed entity incorporated in India. The registered office of the Company is located at 8, Camac Street, Kolkata-700017, India having CIN: L67120WB1986PLC041487.

The Company is engaged in importing marketing and distribution and blending of Base oils, Aromatics in India. Product range also covers range of Paraffins, Glycol Ethers, Oxo-Alcohols, Aromatics, Ketones, Monomers, Esters & Amines etc. Company having offices at Delhi, Mumbai, Kandla (Gujarat), Kolkata, Chennai and factory situated at Silvassa.

### **1.2 Basis of Preparation**

#### **a) Statement of Compliance**

These financial statements are separate financial statements and have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016.

#### **b) Basis of Measurement**

The financial statements have been prepared under the historical cost convention and on an accrual basis except for the following which have been valued at Fair value as required under Ind-AS instead of historical cost.

- i. Defined benefit Plan-Gratuity
- ii. Certain Financial assets and liabilities
- iii. Assets held for sale-measured at lower of cost or fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an assets or liability, the company takes into account the characteristics of the assets or liability if market participants would take those characteristics into account when pricing the assets or liability at the measurement date.

#### **c) Use of Estimates and Judgment**

The preparation of financial statements in conformity with Ind-AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates include estimates of future obligations under employee retirement benefit plans and estimated useful life of property, plant and equipment actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognised in the period in which the results are known /materialize.

All financial information presented in Indian rupees and all values are rounded to the nearest lakhs rupees with two decimal points except where otherwise stated.







### **1.3 Cash Flow Statement**

Cash flow statement is reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

### **1.4 Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the Notes to Accounts.

### **1.5 Investments**

- 1) Investments in Subsidiaries & Associates  
Investments in subsidiaries and associates are accounted for at cost less impairment loss, if any, in separate financial statements.
- 2) Other Investments  
All other investments are measured at fair value, with value changes recognized in Statement of Other Comprehensive Income.

### **1.6 Inventories**

Items of inventories are valued at lower of specific cost or net estimated realizable value after providing for obsolescence, if any. Inventory of raw materials lying at factory are valued on FIFO Basis

Cost of inventories comprises of cost of purchase, cost of transport, cost of conversion and other costs including manufacturing /other overheads incurred in bringing them to their respective present location and condition. Inter-unit goods transfers are valued at lower of cost/ net estimated realizable value. Non duty paid goods lying at port has been valued without Basic Custom Duty due to uncertainty of quantum of material to be sold against transfer of ownership/ duty paid.

### **1.7 Property, Plant and Equipment and Depreciation / Amortization**

- a) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of asset includes the following:

- i. Cost directly attributable to the acquisition of the assets
- ii. Incidental expenditure during the construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is directly related to construction or is incidental thereto.
- iii. Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.





- b) Cost of replacement, major inspection, repair of significant parts and borrowing costs for long-term construction projects are capitalised if the recognition criteria are met.
- c) Upon sale of assets cost and accumulated depreciation are eliminated from the financial statements and the resultant gains or losses are recognized in the statement of profit and loss.
- d) Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

### **Depreciation**

Depreciation on Property, plant and Equipment is provided on Written Down Value (WDV) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

### **1.8 Investment Property**

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment Property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment, if any.

### **1.9 Intangible Assets and Amortisation**

Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/ depreciation and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Cost of items of intangible assets not ready for intended use as on the balance sheet date is disclosed as intangible assets under development.

Intangible assets are amortized over the estimated useful life. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any change in the estimate being accounted for on a prospective basis.

### **1.10 Impairment of non-financial assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. At each reporting date company assesses the estimate amount of impairment loss. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss.

### **1.11 Revenue Recognition**

The Company derives revenues primarily from sale of traded goods, manufactured goods and related services.





**K L J Resources Limited**  
**Regd. Office : 8, Camac Street, Kolkata – 700017**

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'.

There is no effect on adoption of Ind-AS 115. Revenue is recognized on satisfaction of performance obligation which is treated as satisfied upon transfer of control of promised products or services to customers on output method in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

On each reporting date expected credit loss on receivables is measured and accounted for as per Ind-AS 109.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from sale of products and services are recognized at a time on which the performance obligation is satisfied.

**Other operating revenue – Service Charges**

Company renders services only incidental to its primary activity that is trading of goods and sale of manufactured goods. Service charges are accounted for on satisfaction of performance obligation which is treated as satisfied on completion of rendering of services under the contract.

Dividend income is recognized as and when received.

Revenue with regard to Rent is recognized with respect to its actual realization in case there exists, an uncertainty in its ultimate realization, and same is credited to Unrealized Rent

Claims: All sorts of claims by or against the company are recognized as and when acknowledged / accepted / settled / received.

**1.12 Employee Benefits**

Short-term employee benefits- Employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss for the year in which the related service is rendered.

The obligations for employee benefit such as Leave encashment is accounted for on accrual basis.

Defined Contribution Plan: Contribution to defined schemes such as Provident Fund and ESI is recognized during the period in which the employee renders the related service.

Defined Benefit Plan: The Gratuity benefit is funded through the Group Gratuity Scheme under the Life Insurance Corporation of India. Contribution made under the scheme is charged as expense in the Statement of Profit & Loss.

The liability /asset in respect of defined benefit plan is the present value of the defined benefit obligation at the end of reporting period less fair value of the planned assets. The defined benefit obligation is calculated annually by actuarial valuer.

Actuarial gains or losses are recognized in Other Comprehensive Income.

Performance based declared ex-gratia & accretion thereto is provided in the Statement of Profit and Loss and to be disbursed as per the policy framed by the management.





### **1.13 Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to Statement of Profit and Loss account in the year in which they are incurred.

### **1.14 Functional and Presentation Currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. (Functional Currency) The financial statements are presented in Indian rupees, which is the presentation currency of company.

#### **Foreign Currency Transactions**

- a. All foreign currency transactions are translated into functional Currency at the rate prevalent on the date of transaction.
- b. Non-monetary items are translated at the rate on the date of initial transaction.
- c. Monetary items denominated in foreign currency are translated at the prevailing closing spot rate at each reporting date.
- d. Foreign exchange gain or losses in respect of monetary and non-monetary items is recognised in statement of profit and loss.

### **1.15 Tax expenses represents the sum of current tax and deferred tax**

#### **a Current Income Tax**

- i. Taxes including current income-tax are computed using the applicable tax rates and tax laws.
- ii. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
- iii. Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.
- iv. Current tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

#### **b Deferred tax**

- i. Deferred income tax is recognized using balance sheet approach.
- ii. Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.





- iii. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- iv. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
- v. Deferred tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

### 1.16 Provisions

Provision is recognized when:

- i. The Company has a present obligation as a result of a past event, and
- ii) A probable outflow of resources is expected to settle the obligation and
- iii) A reliable estimate of the amount of the obligation can be made.  
Reimbursement of the expenditure required to settle a provision is recognised as per contract provisions or when it is virtually certain that reimbursement will be received.

Provisions are reviewed at each Balance Sheet date.

#### Discounting of Provisions

Provision which expected to be settled beyond 12 months are measured at the present value by using pre-tax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

### 1.17 Contingent Liabilities and contingent Assets

- a) Contingent Liabilities are disclosed in either of the following cases:
  - i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
  - ii) A reliable estimate of the present obligation cannot be made; or
  - iii) A possible obligation, unless the probability of outflow of resource is remote.
- b) Contingent assets is disclosed where an inflow of economic benefits is probable.
- c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
- d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

### 1.18 Earnings Per Share

In determining earnings per share, the Company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The dilutive earning per share is not computed as there is no dilution involved during the year.





### 1.19 Fair Value Measurement

Company measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

### 1.20 Dividend to equity holders

Dividend paid/payable shall be recognised in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

### 1.21 Financial instruments:-

#### a) Initial recognition and measurement

Financial Instruments are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

#### b) Subsequent measurement

##### A. FINANCIAL ASSETS

##### i. Financial Assets At Amortized Cost

A financial asset shall be measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

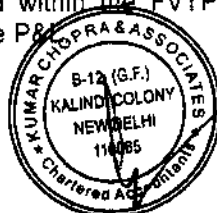
##### ii. Fair value through Other Comprehensive Income.

A financial asset is classified as at the FVTOCI if it is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments.

##### iii. Fair value through Profit and loss account

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L





**B. FINANCIAL LIABILITIES**

**a) Financial liabilities at Amortized Cost**

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

**b) Financial liabilities at FVTPL**

The company has not designated any financial liabilities at FVTPL.

**c) Derecognition**

**Financial Asset**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

**Financial Liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

**d) Impairment of financial assets:**

The company assesses on forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. **Note 44(b)** details how the company determines whether there has been significant increase in credit risk.

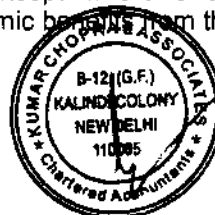
For trade receivables only, the companies applied a simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of receivables.

**1.22 Leases**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Assets held under finance leases are initially recognised as Assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.





### 1.23 Non-current Assets (or disposal groups) held for Sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

If the criteria stated by IND AS 5 “Non-current Assets Held for Sale and Discontinued Operations” are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of

- (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and
- (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

### 1.24 Standard issued but not effective

In March 2019, the MCA notified a new standard Ind-AS 116 substituting existing Ind AS 17 related to leases to increase transparency and comparability among organizations by requiring the recognition of right-of-use (“ROU”) assets and lease liabilities on the balance sheet. The standard requires the recognition of ROU assets and lease liabilities by lessees for leases. The asset is to be depreciated as per Ind AS 16 over and liability to be adjusted over the period of Lease. Under the standard, disclosures are required to be made with the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. We will be required to recognize and measure leases existing at, or entered into after, the beginning of the earliest comparative period presented using a retrospective method as described in Para C5(b) of the standard, with certain practical expedients available.

The standard will be effective for us beginning April 1, 2019. We will elect the available practical expedients on adoption. The standard will have a impact on our balance sheets, but will not have a material impact on our Profit and Loss statements. The most significant impact will be the recognition of ROU assets and lease liabilities for leases, while our accounting for leases as lessor remains substantially unchanged.

Adoption of the standard will result in the recognition of additional ROU assets and lease liabilities as on 01/04/2019 and also for each subsequent year. We are analyzing the impact and quantification is in progress. The standard will apply to following Lease contracts:

**As Lessee:**

- i. Office premises

**As Lessor:**

- i. Accommodations given on





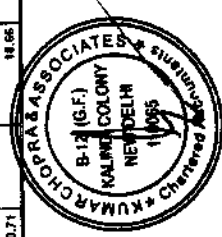


Notes to Standalone Financial Statements as at 31st March, 2019

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK				
	As at 01.04.17	Additions	Sales / Adjustments	As at 31.03.18	Total As At 31.03.18	As at 01.04.17	For the year	Deduction / Adjustment	As at 31.03.18	Total As At 31.03.18	Deduction / Adjustment	As at 31.03.18	As at 31.03.17		
Factory Buildings	24.62	-	-	24.62	24.62	11.21	1.44	-	12.65	13.63	1.28	10.69	11.87		
Office Buildings	7.12	-	-	7.12	7.12	3.41	0.16	-	3.58	3.75	0.17	3.37	3.54		
Plant & Machinery	201.40	8.46	-	209.86	209.86	118.41	15.98	-	134.39	148.44	14.06	51.44	75.48		
Furniture & Fixtures	96.26	0.06	11.00	107.33	107.33	66.38	7.57	-	75.95	83.21	7.26	24.12	20.37		
Office Equipments	62.37	17.34	0.29	79.42	88.42	53.28	8.79	0.05	62.04	73.56	11.52	15.87	17.38		
Computers & Printers	55.89	5.80	4.87	66.46	66.46	50.53	3.51	-	54.04	59.37	6.25	5.11	7.46		
Vehicles	169.71	31.96	14.80	196.87	173.33	109.88	19.09	9.37	119.71	127.61	20.81	45.71	67.16		
Total	617.38	63.44	15.09	685.72	677.19	415.21	56.57	9.42	462.36	599.87	61.34	167.32	203.37		

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK				
	As at 01.04.17	Additions	Sales / Adjustments	As at 31.03.18	Total As At 31.03.18	As at 01.04.17	For the year	Deduction / Adjustment	As at 31.03.18	Total As At 31.03.18	Deduction / Adjustment	As at 31.03.18	As at 31.03.17		
Land/ Freehold	19.06	-	-	19.06	19.06	-	-	-	-	-	-	19.06	19.06		
Buildings	956.96	-	-	956.96	956.96	259.97	34.30	-	293.27	325.69	32.43	631.28	669.01		
Total	976.04	-	-	976.04	976.04	259.97	34.30	-	293.27	325.69	32.43	631.28	689.01		

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK				
	As at 01.04.17	Additions	Sales / Adjustments	As at 31.03.18	Total As At 31.03.18	As at 01.04.17	For the year	Deduction / Adjustment	As at 31.03.18	Total As At 31.03.18	Deduction / Adjustment	As at 31.03.18	As at 31.03.17		
Software	19.66	-	-	19.66	23.85	16.83	1.03	-	17.96	18.66	0.71	5.18	2.73		
Total	19.66	-	-	19.66	23.85	16.83	1.03	-	17.96	18.66	0.71	5.18	2.73		



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Notes to Standalone Financial Statements as at 31st March 2019

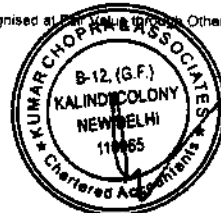
3 NON CURRENT INVESTMENTS

(Rupees in Lakhs)

S.No	Name of The Company	Nature of Investment	Face Value	No of Shares		Amount	
				As at 31-03-19	As at 31-03-18	As at 31-03-19	As at 31-03-18
<b>A In Equity Shares</b>							
<b>a) Quoted (Fully Paid Up)</b>							
1	Hindustan Petroleum Corporation Ltd. (Market Value as on 31-3-19 Rs.3,82,725/- (PY: Rs.4,64,803/-))	Equity Shares	10	1,350	1,350	3.83	4.65
2	GAIL (India) Ltd (Market Value as on 31-3-19 Rs.NIL (PY: Rs.18,81,848/-))	Equity Shares	10	5,868	-	-	18.62
<b>b) Unquoted (Fully Paid Up)</b>							
<b>i) In Wholly Owned Subsidiary</b>							
1	Altamonte Townships and Resorts Pvt. Ltd.	Equity Shares	10	11,30,000	11,30,000	113.00	113.00
2	Brokenhills Townships and Resorts Pvt. Ltd.	Equity Shares	10	16,10,000	16,10,000	161.00	161.00
3	Springdale Townships and Resorts Pvt. Ltd.	Equity Shares	10	10,90,000	10,90,000	109.00	109.00
4	Valley View Townships Pvt. Ltd.	Equity Shares	10	20,10,000	20,10,000	201.00	201.00
5	KLJ Resources DMCC	Equity Shares	AED1000	3,670	3,670	625.18	625.18
6	AK Buildtech Pvt. Ltd.	Equity Shares	10	10,000	10,000	37.00	37.00
7	Sadhok Real Estate Pvt. Ltd.	Equity Shares	10	10,000	10,000	1.00	1.00
<b>ii) In Associates</b>							
1	Hamog Plastic Goods Pvt. Ltd. (Shareholding 24%)	Equity Shares	10	16,235	16,235	2.64	2.64
<b>iii) In Others</b>							
1	Prithvi Sound Products Co. Pvt. Ltd.	Equity Shares	100	5,715	5,715	520.52	451.83
2	Lubhavani Properties Pvt. Ltd.	Equity Shares	10	8,600	8,600	67.51	1.34
3	H.H Buildtech Pvt. Ltd.	Equity Shares	10	6,40,000	6,40,000	65.82	65.65
4	Bhadani Financers Pvt. Ltd.	Equity Shares	10	33,500	33,500	37.96	36.16
5	Pragati Imports Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.64	30.47
6	Pragati Imptrade Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.65	30.47
7	Pragati Tradecom Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.66	30.47
8	Swastik Exports and Imports Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.65	30.46
9	Swastik Trecom Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.68	30.48
10	Swastik Tradex Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.65	30.48
11	KLJ Developers Pvt. Ltd.	Equity Shares	10	4,76,000	4,76,000	1,080.52	1,053.20
12	KLJ Plastic Ltd.	Equity Shares	10	58,000	58,000	-	-
13	AMI Computers Ltd.	Equity Shares	10	2,000	2,000	-	-
14	Asia Pacific Financial Services Ltd.	Equity Shares	10	500	500	-	-
15	S M Dyechem Ltd.	Equity Shares	10	500	500	-	-
<b>B In Preference Shares- Unquoted (Fully Paid Up)</b>							
1	KLJ Plastic Ltd.	Preference Shares	10	15,210	15,210	-	-
<b>C In Mutual Funds, Quoted (Fully Paid Up)</b>							
1	Kotak Standard Multicap Fund Market Value as on 31-3-19 (Rs.2,18,17,178/- (PY: Rs.1,85,65,846/-))	Mutual Funds (No's in units)	10	6,14,949	6,14,949	218.17	195.66
2	SBI Liquid Fund Direct Market Value as on 31-3-19 Rs.25,03,81,834/- (PY: NIL)	Mutual Funds (No's in units)	10	65,496	-	2,603.82	-
<b>Total Investments</b>						<b>5,931.90</b>	<b>3,258.85</b>

a) Aggregate amount of quoted investments and market value thereof.	2,725.82	218.92
b) Aggregate amount of unquoted investments.	3,206.08	3,040.03
c) Aggregate amount of impairment in value of investments	65.19	66.19

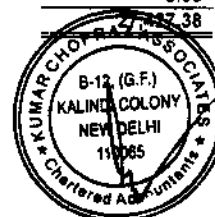
\* Fair value of unquoted investment other than Subsidiary and Associates for 31st March, 2019 is taken on the basis of provisional financial statement of 31st March, 2019. Equity investments other than investments in subsidiaries and Associates are recognised at Fair Value through Other Comprehensive Income as per Ind AS 109. Investments in subsidiaries and associates have been carried at cost.





(Rupees in Lakhs)

	As At 31st March 2019	As At 31st March 2018
<b>4 OTHER NON CURRENT FINANCIAL ASSETS</b> (Unsecured, considered good)		
Security Deposits	310.97	291.19
	<u>310.97</u>	<u>291.19</u>
<b>5 DEFERRED TAX ASSETS / (LIABILITIES) (net)</b>		
Opening Balance	(100.46)	47.91
Add: Charge/(Credit) to Statement of Profit and Loss	3.70	1.54
Add: Charge/(Credit) to Other Comprehensive Income	33.72	(149.90)
	<u>(63.04)</u>	<u>(100.45)</u>
<b>Component of Deferred Tax Asset / (Liabilities)</b>		
<b>Opening Balance</b>		
Property, Plant & Equipment and Intangible Asset	92.44	83.18
Provisions	36.33	44.06
Fair Value of Investment	(229.24)	(79.33)
Defined Benefit Plans		
	<u>(100.47)</u>	<u>47.91</u>
<b>Charge/(Credit) to Statement of Profit and Loss</b>		
Property, Plant & Equipment and Intangible Asset	11.25	9.26
Provisions	(7.55)	(7.72)
	<u>3.70</u>	<u>1.54</u>
<b>Charge/(Credit) to Other Comprehensive Income</b>		
Fair Value of Investment	34.64	(149.90)
Defined Benefit Plans	(0.91)	-
	<u>33.73</u>	<u>(149.90)</u>
<b>Closing Balance</b>		
Property, Plant & Equipment and Intangible Asset	103.69	92.44
Provisions	28.78	36.33
Defined Benefit Plans	(0.91)	-
Fair Value of Investment	(194.60)	(229.24)
	<u>(63.04)</u>	<u>(100.47)</u>
The tax component of increase in non-current investments on account of fair valuation is recognised in other comprehensive income due to which there is an increase in deferred tax assets.		
<b>6 OTHER NON CURRENT ASSETS</b>		
Planned Asset (Gratuity)	55.57	34.17
	<u>55.57</u>	<u>34.17</u>
<b>7 INVENTORIES</b> (Lower of Cost or net Realisable value)		
Stock In Trade	42,196.82	36,689.46
Raw Materials	905.54	814.53
Finished Goods	115.70	121.82
	<u>43,218.06</u>	<u>37,625.81</u>
Goods in transit included in above inventories of Rs.10219.23 Lakhs (Stock in Trade Rs.10201.80 Lakhs and Raw Materials Rs.17.43 Lakhs) in FY 2018-19		
Goods in transit included in above Inventories of Rs.7524.30 Lakhs (Stock in Trade Rs.7461.92 Lakhs and Raw Materials Rs.62.38 Lakhs) in FY 2017-18		
<b>8 TRADE RECEIVABLE</b> (Unsecured, considered good, Exceeding Six Months)	6.25	16.89
Others :		
Related Party	1,692.06	742.83
Others	25,737.07	18,666.48
	<u>27,435.38</u>	<u>19,426.20</u>
Less: Provision for Expected Credit Losses	8.00	6.00
	<u>27,427.38</u>	<u>19,420.20</u>





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Notes to Standalone Financial Statements as at 31st March 2019

(Rupees in Lakhs)

	<u>As At</u> <u>31st March, 2019</u>	<u>As At</u> <u>31st March, 2018</u>
<b>9 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	5.04	7.28
<u>Balance with Banks:</u>		
Current Accounts	99.48	11.59
	<u>104.52</u>	<u>18.87</u>
<b>10 BANK BALANCES OTHER THAN CASH &amp; CASH EQUIVALENTS</b>		
FDR's with Banks as Margin Money	1,711.90	2,312.53
FDR's with Banks as Security	1,550.00	-
	<u>3,261.90</u>	<u>2,312.53</u>
<b>11 LOANS</b> (Unsecured, Considered Good)		
Loans to related parties	1,720.42	1,645.39
Others	5,530.25	4,138.02
	<u>7,250.67</u>	<u>5,783.41</u>
<b>12 OTHER CURRENT FINANCIAL ASSETS</b>		
Prepaid Expenses	115.36	149.73
SAD Receivable	9.44	15.89
Accrue Interest on FDR's	66.54	111.53
Balance of Cenvat/Excise/GST	1,455.67	1,797.95
Advances (Recoverable in cash or in kind or for value to be received)	336.24	62.25
Rent Receivable	15.93	15.42
	<u>1,999.18</u>	<u>2,152.77</u>
<b>13 CURRENT TAX</b>		
13.1 Current Tax Asset		
Advance Tax & TDS	-	-
Less: Direct Tax Payable	-	-
	<u>-</u>	<u>-</u>
13.2 Current Tax Liability		
Direct Tax Payable	2,022.00	3,070.00
Less: Advance Tax & TDS	1,815.29	2,835.48
	<u>206.71</u>	<u>234.52</u>





Notes to Standalone Financial Statements as at 31st March 2019

(Rupees in Lakhs)

	As At 31st March, 2018
	2,500.00
	1,074.00
	1,074.00

	As At 31st March, 2019
	2,500.00
	1,074.00
	1,074.00

14 EQUITY SHARE CAPITAL

Authorised Share Capital:

2,50,00,000 Equity Shares (PY 2,50,00,000 Equity Shares) of Rs. 10/- each

Issued, Subscribed, Called & fully Paid -up shares:

1,07,40,000 Equity Shares (PY 1,07,40,000 Equity Shares) of Rs. 10/- each, fully paid up.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the

Equity Shares	As At 31st March, 2019		As At 31st March, 2018	
	No. of Shares Held	Amount	No. of Shares Held	Amount
At the beginning of the year	1,07,40,000	1,074.00	71,60,000	716.00
Issued during the year			35,80,000	358.00
Outstanding at the end of the year	1,07,40,000	1,074.00	1,07,40,000	1,074.00

(b) Rights, preference and restrictions attached to Equity Shares:

The company has at present only one class of equity shares having a par value of Rs. 10/- each. Each shareholder is entitled for one vote per share held & entitled to dividend in proportion of their shareholdings. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholdings

(c) During the financial year 2017-18 the Company has issued 35,80,000 Bonus share in the ratio of one equity share for every two shares held by capitalization of Securities Premium Reserve.

(d) The Company has not issued any shares for a consideration other than cash immediately preceding five year except aforesaid Bonus Shares.

(e) Details of Shareholders holding more than 5% shares in the company:

Name of the Shareholders	As At 31st March, 2019		As At 31st March, 2018	
	No. of Shares Held	Percentage of Holding	No. of Shares Held	Percentage of Holding
Sh. Hemant Jain	13,15,200	12.25	13,15,200	12.25
Sh. Kamal Jain	13,14,750	12.24	13,14,750	12.24
Sh. Pushp Jain	13,15,050	12.24	13,15,050	12.24
Bhadani Financers Pvt. Ltd.	12,00,000	11.17	12,00,000	11.17
Siddhi Shree Vincom Pvt. Ltd.	12,09,022	11.26	12,09,022	11.26
Sh. K. L. Jain	9,75,000	9.08	9,75,000	9.08
Mangaisree Suppliers Pvt. Ltd.	8,98,200	8.36	8,98,200	8.36
Pioneer Infra-Constructions (P) Ltd.	7,50,750	6.99	7,50,750	6.99
Smt. Sushila Jain	6,75,000	6.28	6,75,000	6.28





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**Notes to Standalone Financial Statements as at 31st March 2019**

	As At 31st March, 2019	(Rupees in Lakhs) As At 31st March, 2018
<b>15 OTHER EQUITY</b>		
<b>a) Securities Premium Account</b>		
Balance as per last financial statements	3,819.60	4,177.60
Add: Addition during the year	-	-
Less: Utilised on issue of Bonus Shares	-	358.00
Closing Balance	<u>3,819.60</u>	<u>3,819.60</u>
<b>b) Capital Reserves</b>		
Balance as per last financial statements	291.34	291.34
Closing Balance	<u>291.34</u>	<u>291.34</u>
<b>c) Retained Earnings</b>		
Balance as per last financial statements	29,108.56	23,549.97
Add: Profit for the year	3,715.47	5,558.59
Less: Dividend (Including Tax)	32.37	-
Net Surplus in the statement of profit and loss	<u>32,791.66</u>	<u>29,108.56</u>
<b>d) Other Comprehensive Income</b>		
Balance as per last financial statements	456.75	450.64
Add: Adjustment of Planned Assets (Gratuity)	1.70	(9.82)
Add: Fair Value of Investment	207.59	15.93
Net Balance of Other Comprehensive Income	<u>666.04</u>	<u>456.75</u>
	<u>37,568.64</u>	<u>33,676.25</u>
<b>16 PROVISIONS-NON-CURRENT</b>		
<b>Provisions for employee benefits</b>		
Ex-Gratia	74.37	98.99
	<u>74.37</u>	<u>98.99</u>
<b>17 OTHER NON CURRENT LIABILITIES</b>		
Security Deposits	95.38	112.36
Others	3.10	3.10
	<u>98.48</u>	<u>115.46</u>



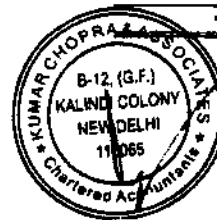


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**Notes to Standalone Financial Statements as at 31st March 2019**

	As At 31st March, 2019	(Rupees in Lakhs) As At 31st March, 2018
<b>18 BORROWINGS-CURRENT</b>		
<b>Secured</b>		
From Banks:		
Cash Credit Facilities*	2,312.51	4,708.71
Buyer's Credit in Foreign Currency*	10,776.43	11,313.84
	<u>13,088.94</u>	<u>16,022.55</u>
<b>Unsecured</b>		
Loans		
Related Parties	891.21	203.94
	<u>891.21</u>	<u>203.94</u>
	<u>13,980.15</u>	<u>16,226.49</u>
<b>*Credit Facilities are secured as under:</b>		
The facilities are secured by the first charge on pari passu basis with all banks in Consortium on stocks in trade and the entire current assets including goods in transit and Book Debts and Receivables. Further the loans are collateralized by the guarantees of promoter directors/group concern and some additional properties owned by the company/directors' relatives/group concerns. In respect of Buyer's Credit, Indian Bankers have given guarantee to foreign banks.		
<b>19 TRADE PAYABLES</b>		
Related Parties	1,473.68	214.87
Others	33,945.23	18,317.17
	<u>35,418.91</u>	<u>18,532.04</u>
<b>20 OTHER FINANCIAL CURRENT LIABILITIES</b>		
Current Maturity of Long Term Borrowings		19.46
Interest accrued	39.92	54.73
	<u>39.92</u>	<u>74.19</u>
<b>21 OTHER CURRENT LIABILITIES</b>		
Statutory Liabilities	171.53	97.58
Advances From Customers	525.97	129.14
Other Payables	1,161.30	1,426.67
	<u>1,858.80</u>	<u>1,653.39</u>





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Notes to Standalone Financial Statements for the Year Ended 31st March 2019

	Year Ended 31st March, 2019	(Rupees in Lakhs) Year Ended 31st March, 2018
<b>22 REVENUE FROM OPERATIONS (GROSS)</b>		
Sale of Products	1,98,820.24	1,49,399.27
Other Operating revenues	260.17	79.49
	<u>1,99,080.41</u>	<u>1,49,478.76</u>
<b>23 OTHER INCOME</b>		
Interest on FDRs	110.07	137.49
Interest Other's	830.28	808.30
Rent	457.69	467.04
Bad Debts Recovery (Net of Write off)	35.10	-
Profit on Sale of Shares (Net)	24.63	2.94
Dividend	0.12	0.79
Profit on Sale of Fixed Assets	1.93	0.67
Misc. Income	20.43	0.74
	<u>1,480.25</u>	<u>1,417.97</u>







**Notes to Standalone Financial Statements for the Year Ended 31st March 2019**

	<i>(Rupees in Lakhs)</i>	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>24 COST OF MATERIAL CONSUMED</b>		
Opening Stock	814.53	1,666.00
Add : Purchases	6,240.40	4,771.00
	7,054.93	6,437.00
Less: Closing Stock	905.54	814.53
	<u>6,149.39</u>	<u>5,622.47</u>
<b>25 PURCHASE OF STOCK-IN-TRADE</b>		
Purchase of Traded Goods	1,57,204.70	1,16,083.29
Import Expenses	3,567.28	3,590.38
Foreign Exchange Fluctuation Effect	1,667.83	(33.81)
	<u>1,62,439.81</u>	<u>1,19,639.86</u>
<b>26 CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK-IN-TRADE</b>		
<b>Opening Stock</b>		
Traded Goods	36,689.46	31,682.74
Finished Goods	121.82	112.82
	<u>36,811.28</u>	<u>31,795.56</u>
<b>Less : Closing Stock</b>		
Traded Goods	42,196.82	36,689.46
Finished Goods	115.70	121.82
	<u>42,312.52</u>	<u>36,811.28</u>
	<u>(5,501.24)</u>	<u>(5,015.72)</u>
<b>27 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries & Wages *	1,772.35	1,517.00
Contribution to Provident and other funds	64.43	69.42
Staff Welfare Expenses	22.80	50.87
	<u>1,859.58</u>	<u>1,637.29</u>

\* Included Managerial Remuneration Rs.1043.22 Lakhs (PY Rs.807.39 Lakhs)





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**Notes to Standalone Financial Statements for the Year Ended 31st March 2019**

	Year Ended 31st March, 2019	(Rupees in Lakhs) Year Ended 31st March, 2018
<b>28 FINANCE COST</b>		
Interest Paid	999.96	641.44
Bank Charges & Commission	75.36	98.48
	<b>1,075.32</b>	<b>740.92</b>
<b>29 OTHER EXPENSES</b>		
Rent	264.25	207.49
Rates & Taxes / Fees	10.98	12.07
Repairs & Maintenance	98.00	121.09
Insurance Expenses	0.55	0.57
Power, Electricity & Water	15.44	14.07
Consumable Stores, Spares Parts Consumed	0.95	0.54
Telephone & Mobile	12.30	15.19
Postage & Courier Charges	10.24	8.90
Printing, Stationery & Computer expenses	11.83	13.50
Travelling and Conveyance	119.35	117.09
Vehicle Running & Maintenance	13.55	10.36
Excise Duty (Net)	-	(13.86)
Sales Tax & Vat	-	910.04
Advertising & Publicity	15.19	22.36
Business Promotion	67.73	73.43
Brokerage & Commission	211.77	212.48
Export Expenses	2.01	0.53
Freight Expenses	507.33	470.09
Consultancy, Legal & Professional Fees	77.94	94.21
Membership & Subscriptions	8.09	10.84
Director Sitting Fee	0.88	1.18
Miscellaneous Expense	18.76	21.92
Bad Debts (Net)	-	521.91
CSR Expenses	151.90	210.87
Provision for Expected Credit Losses	2.00	6.00
Auditor Remuneration- Refer Note 36	10.75	11.25
	<b>1,631.79</b>	<b>3,074.12</b>

**30 OTHER COMPREHENSIVE INCOME**

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

a) <u>Remeasurement of Defined benefit plans</u>		
Items that will not be reclassified to Profit or Loss	2.62	(6.82)
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss	(0.91)	-
b) <u>Remeasurement of Fair Value Investment</u>		
Items that will not be reclassified to Profit or Loss	172.95	165.84
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss	34.64	(149.90)
<u>Breakup of Tax</u>		
i) Current year Income Tax	(40.29)	(149.90)
ii) Excess Income Tax of earlier year reversed	74.93	-
	<b>236.90</b>	<b>6.12</b>

Actuarial Gain on Garranty and increase in fair valuation of investments along with its tax components are recognised in other comprehensive income





Note 31. Earnings per Share:

Particulars	(Rupees in Lakhs)	
	31st March 2019 (Rs. per share)	31st March 2018 (Rs. per share)
<b>Basic EPS</b>		
From continuing operation	34.59	51.76
From discontinuing operation	-	-
<b>Diluted EPS</b>		
From continuing operation	34.59	51.76
From discontinuing operation	-	-

31.1 Basic Earning per Share

The earnings and weighted average number of equity shares used in calculation of basic earning per share:-

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Profit attributable to equity holders of the company:		
Continuing operations	3,715.47	5,558.56
Discontinuing operations	-	-
Earnings used in calculation of Basic Earning Per Share	3,715.47	5,558.56

Weighted average number of shares for the purpose of basic earnings per share	1,07,40,000	1,07,40,000
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31.2 Diluted Earning per Share

The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Profit attributable to equity holders of the company:		
Continuing operations	3,715.47	5,558.56
Discontinuing operations	-	-
Earnings used in calculation of diluted Earning Per Share from continuing operations	3,715.47	5,558.56

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows:

Particulars	31st March 2019		31st March 2018	
	Weighted average number of Equity shares used in calculation of basic earnings per share	1,07,40,000		1,07,40,000
Effect of dilution:				
Share Options				
Weighted average number of Equity shares used in calculation of diluted earnings per share	1,07,40,000		1,07,40,000	

The Company has issued and allotted 35,80,000 equity shares to the eligible holders of the equity shares on the book closure date (i.e. 30.03.2018 as bonus equity shares by capitalizing reserves on 30.03.2018.

Note 32. Employee Benefit Obligation

The Company obtained reports as required by Ind AS 19 (Employee Benefits) based on which disclosures have been made in the financial statement for the year ended March, 31 2019. The disclosures as required by the Ind AS 19 are as below.

Defined Benefit Plan

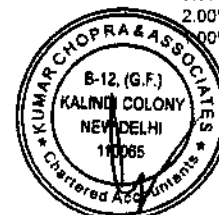
Gratuity

The Company makes annual contributions to an income tax approved irrevocable trust gratuity fund to finance the plan liability, a funded defined benefit plan for qualifying employees.

Actuarial Assumptions

Particulars	31st March 2019	31st March 2018
i) Discounting Rate	7.66%	7.71%
ii) Future Salary increase	6.00%	6.00%

Particulars	31st March 2019	31st March 2018
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2006-08)	
Attrition at Ages	Withdrawal Rate	Withdrawal Rate
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%





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(Rupees in Lakhs)		
<b>Balance Sheet and related analysis</b>		
Particulars	31st March 2019	31st March 2018
Present Value of the obligation at end	120.53	103.69
Fair value of plan assets	176.10	137.86
Unfunded Liability/provision in Balance Sheet	55.57	34.17
<b>The amounts recognized in the Income statement</b>		
Particulars	31st March 2019	31st March 2018
Total Service Cost	13.85	22.77
Net Interest Cost	(2.63)	(3.46)
Expense recognized in the Income Statement	11.22	19.31
<b>Other Comprehensive Income (OCI)</b>		
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	2.60	(9.08)
Actuarial gain / (loss) for the year on Asset	0.02	(0.74)
Unrecognized actuarial gain/(loss) at the end of the year	2.62	(9.82)
<b>Change in Net Defined Benefit Obligation</b>		
Net defined benefit liability at the start of the period	(34.17)	(43.30)
Acquisition adjustment	-	-
Total Service Cost	13.85	22.77
Net interest cost (Income)	(2.63)	(3.46)
Re-measurements	(2.62)	8.82
Contribution paid to the Fund	(30.00)	(20.00)
Benefit paid directly by the enterprise	-	-
Net defined benefit liability at the end of the period	(55.57)	(34.17)
<b>Sensitivity Analysis of the defined benefit obligation</b>		
<b>a) Impact of the change in discount rate</b>		
<u>Present Value of Obligation at the end of the period</u>		
Impact due to increase of 0.50%	(6.36)	(5.44)
Impact due to decrease of 0.50 %	6.92	5.93
<b>Impact of the change in salary increase</b>		
<u>Present Value of Obligation at the end of the period</u>		
Impact due to increase of 0.50%	7.00	5.21
Impact due to decrease of 0.50 %	(6.48)	(5.14)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

**Note 33. Investment Properties**

**(i) Lease Arrangements**

The Company has various premises under operating lease arrangements. These are cancellable and range between 11 months to 5 years which are renewable by mutual consent on mutually agreeable terms. The company has given interest free security deposit under certain agreements.

**(ii) Amount recognised in profit or loss for investment properties**

Rental Income	457.69	467.04
Depreciation	32.43	34.30
Rental	0.34	0.31
<b>Profit from investment properties</b>	<b>424.93</b>	<b>432.43</b>

**(iii) Estimation of fair value**

The Company has two properties that have been considered as Building under investment properties. The fair value of the leased properties is estimated at Rs. 5301 lakhs. The fair valuation is based on valuation report by the approved valuers

(iv) Immovable Property held for rental income and capital appreciation classified as investment property as per Ind AS 40.

**Note 34. Loans and Advances etc.**

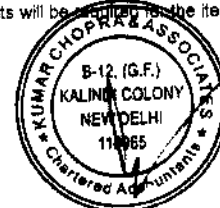
Balances in Loans and advances, Receivables / Recoverable, Advance from Customers, Sundry Creditors and Sundry Debtors etc. are subject to reconciliation, confirmation and consequential adjustments, if any.

In the opinion of the management, the value of Current Assets, Loans and Advances, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet, except unless stated otherwise. The Provision for all known Liability is adequate and not in excess of the amount considered reasonably necessary.

**Note 35. Contingent Liabilities and Contingent Assets**

**35.1 Contingent Liabilities**

i) Contingent Liabilities, as defined in Ind AS 37 on "Provisions on Contingent Liabilities and Contingent Assets", are disclosed below. Provision is made, if it becomes probable that an outflow of future economic benefits will be required for the item previously dealt with as Contingent Liability.





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Particulars	(Rupees in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Net Outstanding LC's with Bank	5,121.79	5,906.98
Corporate Guarantee issued to Bank (for wholly owned subsidiary)	6,917.13	6,504.41

- i) It is not practical of the company to estimate the timing of cash outflow if any in respect of above stated contingent liabilities.  
ii) Company does not expect any reimbursement from third party in respect of these contingent liabilities.

**35.2 Contingent Asset**

NIL

**Note 36. Break Up of Auditors Remuneration**

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Payment to Statutory Auditors		
-Audit Fee	5.00	5.00
-Tax Audit and Certification Work	0.50	2.00
Payment to Tax Auditors	0.50	-
Payment to Cost Auditors	1.75	2.00
Payment to Internal Auditors	3.00	2.25
	<b>10.75</b>	<b>11.25</b>

**Note 37. Detail of Unhedged Foreign currency exposures are as under:**

Particulars	(Rupees in Lakhs)	
	As at 31st March 2019	As at 31st March 2018
Un-hedged Foreign Currency Payable	44,000.40	26,984.00

**Note 38. No amounts are due for deposits at the Balance Sheet date to the Investor Education and Protection Fund.**

**Note 39. There are no delays in payments to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information has been determined to the extent such parties have been identified on the basis of information available with the company.**

**Note 40. Additional Information:**

**a) Value of Imports calculated on CIF Basis**

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Materials (Chemicals)	1,51,659.55	1,08,862.04

**b) Expenditure in Foreign Currency during the Year**

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Interest on LC financed	306.64	161.42
Traveling & Tour	36.01	24.83
Business Promotion	1.15	5.11
Membership & Subscriptions	2.47	6.28
Survey Fee	-	1.14
Clearing and Handling Charges	1.13	-

**c) Value of Raw Materials and Stores and Spares consumed during the Year Ended**

Raw Materials	(Rupees in Lakhs)		Percentage %	
	31st March 2019	31st March 2018	31st March 2019	31st March 2018
Imported	5,475.16	5,101.49	89.04%	90.73%
Indigenous	674.22	520.99	10.96%	9.27%
<b>Total</b>	<b>6,149.38</b>	<b>5,622.47</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Stores &amp; Spares</b>				
Indigenous	0.95	0.54	100.00%	100.00%
<b>Total</b>	<b>0.95</b>	<b>0.54</b>	<b>100.00%</b>	<b>100.00%</b>

**d) Earning in Foreign Exchange**

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Export of Goods calculated on F.O.B. basis	49.46	236.63
Interest		0.43

**Note 41. Corporate Social Responsibility (CSR)**

- a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 145.90 Lakhs (Previous Year Rs. 116.47 Lakhs)  
b) Expenditure related to Corporate Social Responsibility is Rs. 151.90 lakhs (Previous Year Rs. 210.87 Lakhs)

Detail of Amount spent towards CSR given below:

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Health	151.90	210.87
<b>Total</b>	<b>151.90</b>	<b>210.87</b>





## K L J Resources Limited

Regd. Office: 8 Camac Street Kolkata-700017

**Note 42. Disclosures in respect of Indian Accounting Standard (Ind AS-24) 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended):**

**1 Enterprises where control exists:-**

**Subsidiaries:**

Altamonte Townships and Resorts Pvt. Ltd.  
Brokenhills Townships and Resorts Pvt. Ltd.  
Springdale Townships and Resorts Pvt. Ltd.  
Valley View Townships Pvt. Ltd.  
KLJ Resources DMCC  
AK Buildtech Pvt. Ltd.  
Sadhok Real Estate Pvt. Ltd.  
KLJ Resources PTE Limited (Subsidiary of KLJ Resources DMCC)

**2 Other related parties with whom the company had transactions:-**

**a) Associates:**

Hemlog Plastic Goods Pvt. Ltd.  
KLJ Organic (Thailand) Ltd. (Associate of KLJ Resources DMCC)

**b) Others (Group Concern):**

KLJ Plasticizers Limited.  
KLJ Organic Ltd.  
Prithvi Sound Products Co. Pvt Ltd  
KLJ Polymers & Chemicals Ltd.  
HK Buildtech Pvt. Ltd.  
Inspiration Dealers Pvt. Ltd.  
Hemlog Traders Pvt. Ltd.  
KLJ Developers Private Limited  
D M Realty Developers Pvt. Ltd.

**c) Key Management Personnel:**

Sh. Hemant Jain	Managing Director
Sh. Praveen Sharma	Company Secretary
Sh. Naveen Bothra	Company Secretary
Sh. Ajei Kumer Gupta	Company Secretary
Sh. Suresh Chand Jaitner	Chief Financial Officer

**d) Relatives of Key Management Personnel:**

Ms Neetu Jain	Sr. Manager (Business Development)
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**K L J Resources Limited**

Regd. Office: 8 Camac Street Kolkata-700017

(Rupees in Lakhs)

Note 42. Disclosures in respect of Indian Accounting Standard (Ind AS-24) 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended):

S.No.	Nature of Transaction	Name of Related Parties	Relationship	31st March, 2019	31st March, 2018
<b>a) Transactions during the year</b>					
1	Purchases	KLJ Plasticizers Limited.	Group Concern	2,480.47	1,400.52
		KLJ Organic Ltd.	Group Concern	1,184.09	2,191.03
		Prithvi Sound Products Co. Pvt. Ltd.	Group Concern	1,548.00	153.77
				<b>5,212.56</b>	<b>3,746.32</b>
2	Sales	KLJ Plasticizers Limited.	Group Concern	1,215.90	690.76
		KLJ Organic Ltd.	Group Concern	8,839.21	3,726.79
		KLJ Organic (Thailand) Ltd.	Group Concern	50.19	-
				<b>10,106.30</b>	<b>4,417.65</b>
3	Rent Paid	KLJ Polymers & Chemicals Ltd.	Group Concern	17.28	17.38
		KLJ Plasticizers Limited	Group Concern	14.16	10.62
		Sadhok Real Estate Pvt. Ltd.	Wholly Owned Subsidiary	269.04	200.33
		HH Buildtech Pvt. Ltd.	Group Concern	1.42	1.41
		Inspiration Dealers Pvt. Ltd.	Group Concern	7.08	1.77
		Harnlog Traders Pvt. Ltd.	Group Concern	-	5.27
				<b>308.98</b>	<b>236.78</b>
4	Rent Received	KLJ Developers Private Limited	Group Concern	29.72	29.53
				<b>29.72</b>	<b>29.53</b>
5	Maintenance Paid	D M Realty Developers Pvt. Ltd.	Group Concern	8.84	7.96
		Sadhok Real Estate Pvt. Ltd.	Wholly Owned Subsidiary	12.29	16.23
6	Conversion Charges Paid	KLJ Organic Ltd.	Group Concern	38.50	73.25
				<b>38.50</b>	<b>73.25</b>
7	Reimb. of Exp. Paid	KLJ Polymers & Chemicals Ltd.	Group Concern	14.31	12.75
		KLJ Plasticizers Limited.	Group Concern	-	0.13
8	Reimb. of Exp. Recd.	KLJ Organic Ltd.	Group Concern	75.15	-
		KLJ Plasticizers Limited.	Group Concern	14.24	-
9	Investment Made	A K Buildtech Pvt. Ltd.	Wholly Owned Subsidiary	-	37.00
		Sadhok Real Estate Pvt. Ltd.	Wholly Owned Subsidiary	-	1.00
10	Storage Rent Paid	KLJ Plasticizers Limited.	Group Concern	14.22	49.25
				<b>14.22</b>	<b>49.25</b>

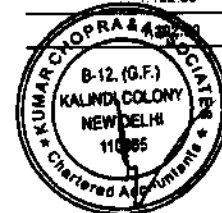




## K L J Resources Limited

Regd. Office: 8 Camac Street Kolkata-700017

				(Rupees in Lakhs)	
Note 42.	Disclosures in respect of Indian Accounting Standard (Ind AS-24) 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended):				
S.No.	Nature of Transaction	Name of Related Parties	Relationship	31st March, 2019	31st March, 2018
11	Interest Paid	Sh. Hemant Jain	Managing Director	82.52	13.12
				<u>82.52</u>	<u>13.12</u>
12	Interest Received	A K Buildtech Pvt. Ltd.	Wholly Owned Subsidiary	157.72	8.30
		Sadhok Real Estate Pvt. Ltd.	Wholly Owned Subsidiary	15.61	1.69
		KLJ Resources DMCC	Wholly Owned Subsidiary	-	0.43
				<u>173.33</u>	<u>10.42</u>
13	CSR Expenditure	KLJ Developers Private Limited	Group Concern	131.00	170.00
				<u>131.00</u>	<u>170.00</u>
14	CSR Contribution Received	KLJ Developers Private Limited	Group Concern	12.14	-
				<u>12.14</u>	<u>-</u>
15	Remuneration (Key Managerial Personnel)	Sh. Hemant Jain	Managing Director	1,043.22	807.39
		Sh. Praveen Sharma	Company Secretary	13.07	31.08
		Sh. Suresh Chand Jaitheer	Chief Financial Officer	23.17	5.51
		Sh. Naveen Bothra	Company Secretary	2.81	-
		Sh. Ajai Kumar Gupta	Company Secretary	1.68	-
		Sh. Hemant Jain Nahata	Chief Financial Officer	-	20.42
		Ms. Neetu Jain	Sr. Manager ( Business Development)	16.39	14.85
				<u>1,100.34</u>	<u>879.25</u>
16	Director Sitting Fees	Sh. Dilip Kumar Kam	Director	0.14	0.18
		Sh. Sukh Raj Sethia	Director	0.30	0.40
		Sh. Gulshan Raj Kanwal	Director	0.30	0.40
		Sh. Sudeep Mehta	Director	-	0.02
		Mr. Kalpana Seth	Director	0.14	0.18
				<u>0.88</u>	<u>2.36</u>
17	Loans & Advances Given	A K Buildtech Pvt. Ltd.	Wholly Owned Subsidiary	16.00	1,800.00
		KLJ Resources DMCC	Wholly Owned Subsidiary	-	318.45
		Sadhok Real Estate Pvt. Ltd.	Wholly Owned Subsidiary	133.00	132.40
				<u>149.00</u>	<u>2,080.85</u>
18	Loans & Advances Received back	A K Buildtech Pvt. Ltd.	Wholly Owned Subsidiary	-	45.00
		KLJ Resources DMCC	Wholly Owned Subsidiary	-	318.45
		Sadhok Real Estate Pvt. Ltd.	Wholly Owned Subsidiary	229.96	51.00
				<u>229.96</u>	<u>414.45</u>
19	Security Deposit Given	Sadhok Real Estate Pvt. Ltd.	Wholly Owned Subsidiary	-	244.07
				<u>-</u>	<u>244.07</u>
20	Unsecured Loan Taken	Sh. Hemant Jain	Managing Director	1,715.50	529.00
				<u>1,715.50</u>	<u>529.00</u>
21	Unsecured Loan Repaid	Sh. Hemant Jain	Managing Director	1,102.50	344.50
				<u>1,102.50</u>	<u>344.50</u>





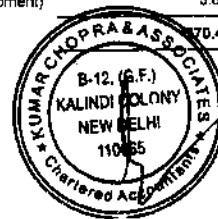


# K L J Resources Limited

Regd. Office: 8 Camac Street Kolkata-700017

Note 42. Disclosures in respect of Indian Accounting Standard (Ind AS-24) 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended):

				(Rupees in Lakhs)	
S.No.	Nature of Transaction	Name of Related Parties	Relationship	31st March, 2019	31st March, 2018
<b>b) Outstanding Balance as at 31st March 2019</b>					
1	Unsecured Loans Taken	Sh. Hemant Jain	Managing Director	891.21	203.94
				<b>891.21</b>	<b>203.94</b>
2	Loans & Advances Given	A K Buildtech Pvt. Ltd.	Wholly Owned Subsidiary	1,720.41	1,562.46
		Sadhok Real Estate Pvt. Ltd.	Wholly Owned Subsidiary	-	82.92
				<b>1,720.41</b>	<b>1,645.38</b>
3	Trade Payables	KLJ Plastozers Limited.	Group Concern	1,155.67	4.19
		D M Realty Developers Pvt. Ltd.	Group Concern	2.17	-
		KLJ Organic Ltd.	Group Concern	301.68	193.89
		Inspiration Dealers Pvt. Ltd.	Group Concern	-	1.62
		KLJ Polymers & Chemicals Ltd.	Group Concern	-	12.54
				<b>1,459.52</b>	<b>212.24</b>
4	Trade Receivables	KLJ Plastozers Limited.	Group Concern	170.73	318.60
		KLJ Developers Private Limited	Group Concern	7.43	6.80
		KLJ Organic Ltd.	Group Concern	1,521.34	424.23
				<b>1,699.50</b>	<b>749.63</b>
5	Rent Payable	KLJ Plastozers Limited.	Group Concern	-	1.08
		Sadhok Real Estate Pvt. Ltd.	Wholly Owned Subsidiary	0.05	0.21
		KLJ Polymers & Chemicals Ltd.	Group Concern	-	1.33
				<b>0.09</b>	<b>2.62</b>
6	Remuneration (Key Managerial Personnel)	Sh. Hemant Jain	Managing Director	961.92	731.92
		Sh. Praveen Sharma	Company Secretary	1.31	5.82
		Sh. Suresh Chand Jaitner	Chief Financial Officer	2.50	1.81
		Sh. Ajai Kumar Gupta	Company Secretary	0.94	-
		Sh. Hemant Jain Nahata	Chief Financial Officer	-	2.30
		Ms Neetu Jain	Sr. Manager ( Business Development)	3.85	3.45
				<b>970.43</b>	<b>745.30</b>





Note 43. Capital management

(Rupees in Lakhs)

The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholder through optimization of the debt and equity balance. The capital structure of the company comprises of debt and total equity of the company.

Debt Equity Ratio

Particulars	(Rupees in Lakhs)	
	As at 31st March 2019	As at 1st March 2018
Borrowing (Note No. 18)	13,980.15	16,226.49
Short term debt	13,980.15	16,226.49
Equity (Note No. 14)	1,074.00	1,074.00
Other equity (Note No. 15)	37,568.64	33,676.25
Total equity	38,642.64	34,750.25
Debt equity Ratio	1747	715

Note 44. Fair Value measurements

(i) Financial Instruments by Category

(Rupees in Lakhs)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Investment	-	4,682.08	1,249.82	-	2,009.13	1,249.82
Trade Receivables	-	-	27,427.38	-	-	19,420.20
Loans	-	-	7,250.67	-	-	5,783.41
Cash and Cash Equivalents	-	-	104.52	-	-	18.87
Bank Balances	-	-	3,261.90	-	-	2,312.53
Others	-	-	2,310.15	-	-	2,443.86
<b>Total Financial Assets</b>	-	4,682.08	41,604.44	-	2,009.13	31,228.79
<b>Financial Liabilities</b>						
Borrowings	-	-	13,980.15	-	-	16,226.49
Trade Payables	-	-	35,418.91	-	-	18,532.04
Others	-	-	39.82	-	-	74.19
<b>Total Financial Liabilities</b>	-	-	49,438.98	-	-	34,832.72

i) The carrying amounts of trade receivables, trade payable, cash and cash equivalents and other short term receivables and payables which are due to be settled within 12 months are considered to the same as their fair values, due to short term nature.

ii) Borrowings-Current are evaluated by company on parameters such as interest rates, specific country risk factors and other risk factors. Based on this evaluation the fair value of such payables are not materially different from their carrying amount. As the amount is immaterial, no fair valuation is required.

iii) Non Current Loans given and Security Deposit have been continued at carrying value as measurement implication are immaterial.

iv) All investments other than subsidiary and associates are measured at fair value, with value changes recognized in Statement of Other Comprehensive Income.

(ii) Fair Value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3- Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at Fair value and amortised cost:

As at 31-03-2019

(Rupees in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial Assets at Fair Value through OCI				
Investment	2,726.82	1,956.26	1,249.82	5,931.90
Financial Assets at Amortised Cost				
Trade Receivables	-	-	27,427.38	27,427.38
Loans	-	-	7,250.67	7,250.67
Cash and Cash Equivalents	-	-	104.52	104.52
Bank Balances	-	-	3,261.90	3,261.90
Others	-	-	2,310.15	2,310.15
	2,726.82	1,956.26	41,604.44	46,286.52

As at 31-03-2018

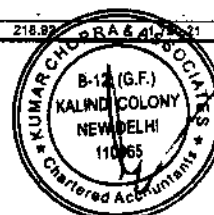
(Rupees in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Financial Liabilities at Amortised Cost				
Borrowings	-	-	13,980.15	13,980.15
Trade Payables	-	-	35,418.91	35,418.91
Other	-	-	39.82	39.82
	-	-	49,438.98	49,438.98

As at 31-03-2018

(Rupees in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Financial assets at Fair Value through OCI				
Investment	218.82	1,790.21	1,249.82	3,258.95
Financial Assets at Amortised Cost				
Trade Receivables	-	-	19,420.20	19,420.20
Loans	-	-	5,783.41	5,783.41
Cash and Cash Equivalents	-	-	18.87	18.87
Bank Balances	-	-	2,312.53	2,312.53
Others	-	-	2,443.86	2,443.86
	218.82	1,790.21	31,228.79	33,237.92





As at 31-03-2018					(Rupees in Lakhs)
Particulars	Level 1	Level 2	Level 3	Total	
<b>Financial Liabilities</b>					
Financial Liabilities at Amortised Cost					
Borrowings			16,226.49	16,226.49	
Trade Payables			18,532.04	18,532.04	
Other			74.19	74.19	
			<b>34,832.72</b>	<b>34,832.72</b>	

(iii) Valuation technique used to determine fair value

- Quoted investments have been valued based on market price quotation.
- Investment in Mutual Funds have been valued as per NAV declared on the balance sheet date.
- Investments in unquoted equity instruments are not held for trading. They are held for long term strategic purpose. The Company has chosen to designate these investments at FVOCI, since it provides a more meaningful presentation.
- The carrying amount of other financial assets and liabilities are considered to be the same as their fair values.

a) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the company could have realized or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iv) Financial risk management

The Company's principal financial liabilities comprise of Borrowings, Trade Payables and others. The main purpose of these financial liabilities is to finance the company's operations. The Company's principal financial assets include Trade Receivables, Loans, cash and cash equivalents and other bank balances that derive directly from its operations.

The Company is expose to market risk, credit risk and liquidity risk. The company financial risk activities are governed by appropriated policies and procedures and that financial risk are identified, measured and managed in accordance with the companies policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risk, which are summarised below:-

a) Market Risk

Market risk is the risk that the fair value of future cash flows or a financial instruments will fluctuate because of changes in market prices. Market risk comprises interest rate risk and foreign currency risk.

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. Company is not exposed to significant interest rate risk as all the financial instruments which are subject to interest risk are due to be settled within 12 months and carry fixed rate of interest.

ii) Foreign Currency Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

The following table shows foreign currency exposures in US Dollar, Euro, AED on financial instruments at the end of the reporting period. The exposure to all other foreign currencies are not material.

Foreign Currency Exposure						(Amount in Lakhs)
Particulars	As at 31st March, 2018			As at 31st March, 2018		
	EURO	USD	AED	USD	AED	
Borrowings		156.37		174.78		
Trade Payables	5.80	277.62	718.53	270.82		
<b>Total</b>	<b>5.80</b>	<b>433.99</b>	<b>718.53</b>	<b>445.61</b>		

b) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company has used a practical expedient by way of computing the expected credit loss for trade receivables based on provision matrix. The matrix also takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and rates as given in the provision matrix.

The provision matrix at the year end is as follows.

Particulars	Expected Credit loss (Percentage)		
	FY 18-19	FY 17-18	
Ageing			
1- 30 days	0.00%	0.00%	
30 days to 12 months	0.25%	0.28%	
More than 12 months	1.99%	2.32%	

(Rupees in Lakhs)

Particulars	As at 31st March 19		As at 31st March 18	
	Receivables	Expected Credit loss	Receivables	Expected Credit loss
1- 30 days	24,209.36	-	17,585.57	-
30 days to 12 months	3,221.78	8.00	1,790.74	5.00
More than 12 months	4.24	-	48.90	1.00

Provision for expected credit loss made in accordance with Ind AS 109 due to which there is change in Trade Receivable.

Other Financial Assets

Company makes loans and advances out of its surplus funds to Corporates. In the past 5 years there is only incidence where Bad Debts have been written off. The Writeoff happened in FY 17-18 and Company is of the view that this is one of incident and management is of view that bad debts are not bound to reoccur again. Accordingly there is no need to create a Expected Credit loss provision for such Financial Assets.

Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the companies policy. Investment of surplus with approved with counterparty on the basis of the financial quotes received from the counterparty.





c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the company's reputation. The company's principal sources of liquidity are cash and cash equivalents, cash flow that is generated from operations, and the borrowings from Directors and Banks. The company believes that the working capital is sufficient to meet its current requirements. Any short term surplus cash generated, over and above the amount required for working capital management and operational requirements, are given as interest bearing loans repayable on demand.

As at 31st March 2019 the company had working capital of Rs. 31,757.22 Lakhs including cash and bank Balances of Rs 3,386.42 Lakhs.

As at 31st March 2018 the company had working capital of Rs. 30,582.96 Lakhs including cash and bank Balances of Rs. 2,331.40 Lakhs.

**Note 46. Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year:

a) Fair valuation measurement and valuation process

Financial instruments are measured initially at fair value and subsequently at amortised cost on the basis of materiality.

b) Taxes

Deferred tax assets are recognized for unused tax losses and unabsorbed depreciation to the extent that it is probable that taxable profit will be available against which losses can be utilized. Significant management judgment is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

**Note 46 Segment Reporting**

There is no reportable segment due to quantitative thresholds as per Ind AS 108.

**Note 47 Income Tax Expense**

Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

	Year ended 31st March, 2019	Year ended 31st March, 2018
Enacted income tax rate in India applicable to the Company	34.944%	34.608%
Profit before tax	5,717.43	8,623.09
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	1,997.90	2,984.28
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowances	90.50	113.99
Deduction under section 24 of the Income Tax Act	(47.27)	(47.79)
Interest income from Joint Venture on liability element of compound financial instrument		
Tax in respect of earlier years	(16.34)	(3.93)
Income exempted from income taxes		
Differential tax rate on capital gains	0.53	
Other items	(23.47)	17.98
Total income tax expense/(credit)	2,001.96	3,064.53

Consequent to reconciliation items shown above, the effective tax rate is 35.01% (2017-18: 35.54%)

**Note 48. Disclosure pursuant to section 186(4) of the Companies Act 2013**

(Rupees in Lakhs)

Nature of the transaction (loans given/investment made/guarantees given/security provided) & Purpose	As at 31st March, 2019	As at 31st March, 2018
<b>(A) Loan and Advances: (Given for Business purpose)</b>		
1. Advance Chemicals		18.30
2. AK Buildtech Pvt. Ltd.	1,720.42	1,582.47
3. Bhadan, Financers Pvt. Ltd.	4,947.34	3,547.70
4. Fomcon Equipments (India) Pvt. Ltd.	50.00	55.00
5. Headstart International Pvt. Ltd.	126.16	110.28
6. Luxor Writing Instrument Pvt. Ltd.	200.00	200.00
7. Manaberie Tea Co Limited	206.75	236.75
8. Sadhok Real Estate Pvt. Ltd.		82.82
<b>Total</b>	<b>7,280.67</b>	<b>5,783.41</b>
<b>(B) Guarantees: (Given for Subsidiary's debt)</b>		
KLJ Resources DMCC	6,917.13	6,504.41
<b>(C) Investments made are disclosed under Note 3</b>		






Note 49. The previous years figures have been regrouped and reclassified, to the extent necessary, to conform to the current years figures.

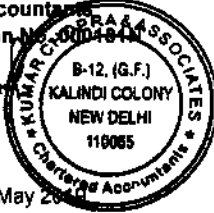
**Note 50. Approval of financial statement**

The financial statements were approved for issue by the Board of Directors on 29th May 2019.


**The accompanying notes to the standalone financial statements**

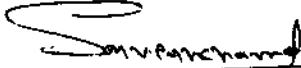
As per our report of even date  
For Kumar Chopra & Associates  
Chartered Accountants  
Firm Registration No. 0004841


  
R.K. Aggarwal  
Partner  
M.No. 081510  
New Delhi, 29th May 2019

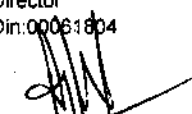


For & on behalf of the Board of Directors

  
Hemant Jain  
Managing Director  
Din:00506995

  
Suresh Chand Jaitner  
Chief Financial Officer

  
Dilip Kumar Karn  
Director  
Din:00061804

  
Ajal Kumar Gupta  
Company Secretary



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KLJ RESOURCES LIMITED

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### 1. Opinion

We have audited the accompanying Consolidated Ind AS financial statements of KLJ RESOURCES LIMITED ("the Holding Company"), its subsidiaries ("the Holding Company and its subsidiaries together referred to as "the Group") and its associate (Refer Note No 49 of the attached consolidated Ind AS financial statements) comprising of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Ind AS financial statements")

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, referred below in other matter paragraph, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian accounting standards (Ind AS), of the consolidated state of affairs of the Group and its associate as at 31st March, 2019, and their consolidated Profit (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Group 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 the Rules thereunder, 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.

#### 3. Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS financial statements in terms of requirements of the Companies Act,



2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group and its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Associate and for preventing and detecting frauds and other irregularities; the 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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

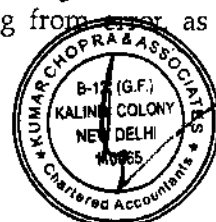
The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

#### 4. Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as



- fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated Ind AS 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 Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associate to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are independent auditors

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

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





#### 5. Other Matters

We did not audit the financial statements/ Consolidated financial statements/financial information of two Indian subsidiaries and one foreign subsidiary (including its subsidiary and associate), whose financial statements/financial information reflect total assets of Rs.9917.16 lakhs as at 31<sup>st</sup> March, 2019, total revenue of Rs. 7334.65 lakhs and net cash inflows amounting to Rs. 126.99 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs.22.59 lakhs for the year ended 31st March, 2019, as considered in the consolidated Ind AS financial statements in respect of 1 associate whose financial statements/ financial information have not been audited by us. These financial statements/financial information of have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of such other auditors.

Our opinion on the Consolidated Ind AS financial statements, and our report on the legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

#### 6. Report on Other Legal and Regulatory Requirements

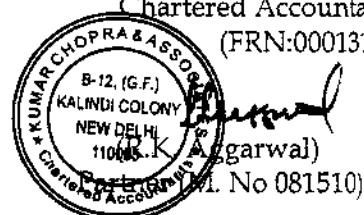
1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid Consolidated Ind AS financial statements.
  - b. In our opinion, proper books of account as required by law relating to consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash flow statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated Ind AS financial statements.
  - d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of Holding Company and the reports of auditors of its subsidiaries and associates incorporated in India, none of the directors is disqualified as on 31st March, 2019 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 Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the holding company, subsidiaries companies and associate incorporated in India.



Our report expresses an unqualified opinion that the holding company, subsidiaries companies and associate which are companies incorporated in India, have in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting was operating effectively as at March 31, 2019.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The group and its associate does not have pending litigations hence, there is no impact on the consolidated financial position.
  - ii. The group and its associate does not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary and associate.

For Kumar Chopra & Associates  
Chartered Accountants  
(FRN:000131N)



Place of signature: New Delhi  
Date: 29-05-2019

## **ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT**

Annexure to the Independent Auditors' Report referred to paragraph 6(f) of our report of even date on the Consolidated Ind AS financial statements of **KLJ RESOURCES LIMITED** for the Year ended 31st March, 2019

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

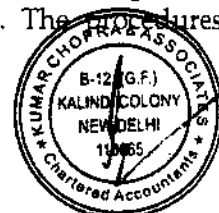
We have audited the internal financial controls over financial reporting of **KLJ Resources Limited ("the Holding Company")**, its subsidiaries and associate which are companies incorporated in India as of March 31, 2019 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

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

The respective Board of Directors of the Holding company, its subsidiaries companies, and associate, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 internal financial controls over financial reporting of the Holding Company, its subsidiaries and associate which are companies incorporated in India, 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. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the holding Company, subsidiaries and associates, internal financial controls system over financial reporting.

***Meaning of Internal Financial Controls Over Financial Reporting***

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

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

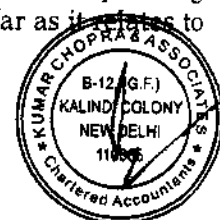
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

***Opinion***

In our opinion, to the best of our information and according to the explanations given to us and based on the consolidation of reports of other auditors, as referred to in Other Matters paragraph, the holding Company, subsidiaries and associate which are companies incorporated in India 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, 2019, based on the internal control over financial reporting criteria established by the holding Company, subsidiaries and associate, 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.

***Other Matter***

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to

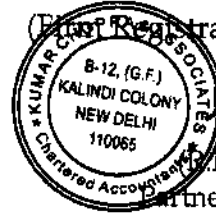


Kumar Chopra & Associates  
Chartered Accountants

KLJ Resources Limited  
FY 2018-19

two subsidiaries company and one associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For Kumar Chopra & Associates  
Chartered Accountants  
(Firm Registration No.:000131N)



*[Handwritten Signature]*

(K. Aggarwal)  
Partner (M. No 081510)

Place of signature: New Delhi  
Date: 29-05-2019

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2019**

(Rupees in Lakhs)

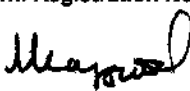
Sl. No.	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
<b>ASSETS</b>				
<b>1</b>	<b>Non-current Assets</b>			
	(a) Property, Plant and Equipment	2a	1,137.96	1,209.10
	(b) Investment Property	2b	5,139.10	5,290.87
	(c) Other Intangible assets	2c	5.18	1.70
	(d) Goodwill		36.00	36.00
	<b>Financial Assets</b>			
	(i) Investments	3	5,431.69	2,014.02
	(ii) Others	4	1,449.38	47.12
	(e) Deferred tax assets (Net)	5	-	-
	(f) Other non-current assets	6	71.64	50.74
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	7	43,218.06	37,625.81
	<b>Financial Assets</b>			
	(i) Trade receivables	8	27,870.41	19,625.25
	(ii) Cash and cash equivalents	9	1,421.48	1,209.05
	(iii) Bank balances other than (iii) above	10	3,261.90	2,312.53
	(iv) Loans	11	5,533.25	4,141.02
	(v) Others	12	2,905.18	3,329.98
	(c) Current Tax Assets (Net)	13	-	-
<b>TOTAL ASSETS</b>			<b>97,481.24</b>	<b>76,893.19</b>
<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Equity</b>			
	(a) Equity Share capital	14	1,074.00	1,074.00
	(b) Other Equity	15	39,811.91	35,924.85
<b>2</b>	<b>LIABILITIES</b>			
	<b>Non-current Liabilities</b>			
	(a) <b>Financial Liabilities</b>			
	(i) Borrowings	16	2,520.93	2,644.85
	(b) Provisions	17	84.68	105.35
	(c) Deferred tax liabilities (Net)	5	63.04	100.45
	(d) Other non-current liabilities	18	98.48	115.46
	<b>Current Liabilities</b>			
	(a) <b>Financial Liabilities</b>			
	(i) Borrowings	19	13,981.60	16,227.94
	(ii) Trade payables	20	35,699.12	18,565.81
	(iii) Other financial liabilities (other than those specified in item (c))	21	206.22	227.13
	(b) Other current liabilities	22	3,773.24	1,685.06
	(c) Current Tax Liabilities (Net)	13	168.02	222.29
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>97,481.24</b>	<b>76,893.19</b>

**Significant Accounting Policies**

The accompanying notes to the consolidated financial statements


For & on behalf of the Board of Directors

As per our report of even date attached  
For Kumar Chopra & Associates  
Chartered Accountants  
Firm Registration No. 000131N

  
R.K. Aggarwal  
Partner  
M.No. 081510  
New Delhi, 29th May 2019



  
Hemant Jain  
Managing Director  
Din:00506995

  
Dillip Kumar Karn  
Director  
Din:00061804

  
Suresh Chand Jalther  
Chief Financial Officer

  
Ajai Kumar Gupta  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2019**

(Rupees in Lakhs)

	Note No.	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>INCOME</b>			
I Revenue from Operations (Gross)	23	2,06,415.06	1,62,400.17
Less Excise & GST		27,094.11	16,482.81
Revenue from Operations (Net)		1,79,320.95	1,45,917.36
II Other Income	24	1,388.25	1,525.97
III <b>TOTAL INCOME (I+II)</b>		<b>1,80,709.20</b>	<b>1,47,443.33</b>
<b>IV EXPENSES</b>			
Cost of Material Consumed	25	6,149.39	5,822.47
Purchase of Stock-in-Trade	26	1,69,309.06	1,31,652.10
Changes in Inventories of Finished Goods & Stock in Trade	27	(5,501.24)	(4,781.81)
Employee Benefits Expenses	28	2,088.07	1,761.39
Finance Costs	29	1,318.69	936.90
Depreciation and Amortization Expense	2	274.66	180.35
Other Expenses	30	1,503.00	3,010.12
<b>TOTAL EXPENSES (IV)</b>		<b>1,75,141.63</b>	<b>1,38,381.52</b>
V <b>PROFIT/ (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>		<b>5,567.57</b>	<b>9,061.81</b>
VI <b>Exceptional Items</b>		-	-
VII <b>Share In Profit/(Loss) of Associates</b>		22.59	(0.02)
VIII <b>PROFIT/ (LOSS) BEFORE TAX (V-VI+VII)</b>		<b>5,590.16</b>	<b>9,061.79</b>
IX <b>Tax Expenses</b>			
1) Current Tax		2,022.00	3,075.69
2) Deferred Tax		(3.70)	(1.54)
3) Short/(Excess) Provision for Earlier Year		(17.06)	(3.93)
X <b>PROFIT/ (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (VIII-IX)</b>		<b>3,588.92</b>	<b>5,991.57</b>
XI <b>PROFIT/ (LOSS) FROM DISCONTINUED OPERATIONS</b>		-	-
XII <b>TAX EXPENSE OF DISCONTINUED OPERATIONS</b>		-	-
XIII <b>PROFIT/ (LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX (X+XI-XII)</b>		-	-
XIV <b>PROFIT/ (LOSS) FOR THE PERIOD (X+XIII)</b>		<b>3,588.92</b>	<b>5,991.57</b>
XV <b>OTHER COMPREHENSIVE INCOME</b>	31		
A (i) Items that will not be reclassified to Profit or Loss		256.87	160.24
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		33.73	(149.90)
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
XVI <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (XIV+XV) (Comprising Profit/(Loss) and other comprehensive income for the period)</b>		<b>3,879.62</b>	<b>6,001.91</b>
XVII <b>Earnings Per Equity Share (Continuing Operations):</b>	32		
Basic		33.42	55.79
Diluted		33.42	55.79
<b>Significant Accounting Policies</b>	1		
<b>The accompanying notes to the consolidated financial statements</b>	2 to 52		

For & on behalf of the Board of Directors

As per our report of even date  
For Kumar Chopra & Associates  
Chartered Accountants  
Firm Registration No. 110000

R.K. Aggarwal  
Partner  
M.No. 081510  
New Delhi, 29th May 2019



Hemant Jain  
Managing Director  
Din:00506995

Dilip Kumar Karn  
Director  
Din:00061804

Suresh Chand Jaitheer  
Chief Financial Officer

Ajal Kumar Gupta  
Company Secretary

STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH 2019

A. EQUITY SHARE CAPITAL (Rupees in Lakhs)

Particulars	Amount in Rs.
Balance as at 31st March 2018	1,074.00
Changes in equity share capital during the year	-
Balance as at 31st March 2019	1,074.00

B. OTHER EQUITY

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2019 (Rupees in Lakhs)

Particulars	Reserves and Surplus				Revaluation Surplus	Other Items of Other Comprehensive Income			Total Amount
	Capital Reserve	Securities Premium Reserve	Other Reserves	Retained Earnings		Gratuity Planned Assets	Fair Value of Investment	Exchange Fluctuation	
Balance as at 01st April 2018	316.24	3,819.60	-	31,937.21	-	23.60	433.15	(4.95)	36,924.86
Profit for the year	-	-	-	3,588.92	-	1.70	207.59	81.30	3,879.61
Exchange fluctuation on investment with foreign subsidiary	59.81	-	-	-	-	-	-	-	39.91
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	366.16	3,819.60	-	34,926.13	-	25.30	640.74	76.35	39,844.28
Dividends	-	-	-	(32.37)	-	-	-	-	(32.37)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Issue of Bonus Share	-	-	-	-	-	-	-	-	-
Balance as on 31st March 2019	366.16	3,819.60	-	34,893.76	-	26.30	640.74	76.35	39,811.91

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31st MARCH 2018

Particulars	Reserves and Surplus				Revaluation Surplus	Other Items of Other Comprehensive Income			Total Amount
	Capital Reserve	Securities Premium Reserve	Other Reserves	Retained Earnings		Gratuity Planned Assets	Fair Value of Investment	Exchange Fluctuation	
Balance as at 01st April 2017	314.10	4,177.60	-	25,311.93	-	33.42	417.22	(9.17)	30,245.10
Profit for the year	-	-	-	5,991.54	-	(8.82)	15.93	4.22	6,001.97
Profit/(Loss) of Subsidiaries upto 31.03.2017	-	-	-	33.64	-	-	-	-	33.64
Exchange fluctuation on investment with foreign subsidiary	2.14	-	-	-	-	-	-	-	2.14
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	316.24	4,177.60	-	31,337.21	-	23.60	433.15	(4.95)	36,282.86
Dividends	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Issue of Bonus Share	-	(358.00)	-	-	-	-	-	-	(358)
Balance as on 31st March 2018	316.24	3,819.60	-	31,337.21	-	23.60	433.15	(4.95)	36,924.86

For & on behalf of the Board of Directors

As per our report of even date  
 For Kumar Chopra & Associates

Chartered Accountants

Firm Registration No. 100000

100000

R.K. Aggarwal

Partner

M.No. 081610

New Delhi, 29th March 2019



Hemant Jain  
 Managing Director  
 Din: 0006695

Buresh Chand Jaitter  
 Chief Financial Officer

Dilip Kumar Karn  
 Director  
 Din: 00061804

Ajal Kumar Gupta  
 Company Secretary



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2019**

	31st March, 2019	(Rupees in Lakhs) 31st March, 2018
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items	5,590.16	9,061.79
Add: Adjustments for non cash items:		
Depreciation	274.66	180.35
Add: Adjustments for other items:		
Loss/(Profit) on Sale / Discard of Assets (net)	(1.93)	(0.67)
Loss/(Profit) on Sale of shares (net)	(24.63)	(2.84)
Finance Costs	1,318.69	936.90
CSR Expenses	151.90	210.87
Less:		
Dividend Income	(0.12)	(0.79)
Interest Income	(768.19)	(936.13)
Other Comprehensive Income	256.87	160.24
Add: Exchange fluctuation on investment with foreign subsidiary	39.91	2.14
<b>Operating Profit before Working Capital Changes</b>	<b>6,837.32</b>	<b>9,611.76</b>
<b>Adjustment for increase/decrease in operating assets</b>		
(Increase)/Decrease Trade and Other Receivables	(8,245.16)	482.44
(Increase)/Decrease in Inventories	(5,592.25)	(3,933.05)
(Increase)/ Decrease in other financial assets	(977.46)	(1,123.70)
<b>Adjustment for increase/decrease in operating liabilities</b>		
Increase/(Decrease) Trade and Other Payables	17,133.31	(6,390.72)
Increase/(Decrease) other current liabilities	2,088.16	(1,439.04)
Increase/(Decrease) other financial liabilities	(20.92)	196.05
Increase/(Decrease) Provisions	(20.67)	15.82
Cash Generated from Operations	11,202.33	(4,580.44)
Taxes Paid (net)	2,059.21	2,785.20
<b>Net Cash from Operating Activities</b>	<b>9,143.12</b>	<b>(7,365.63)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(55.91)	(4,471.20)
Sale of Fixed Assets	2.64	6.35
(Increase)/Decrease in Loans and Advances	(1,392.23)	2,379.89
(Increase)/ Decrease in other non current assets	(20.90)	(7.45)
(Increase)/Decrease in Non Current Investments	(3,417.67)	(365.82)
Increase/(Decrease) other non current liabilities	(16.98)	3.10
Interest received	768.19	936.13
Increase/ (Decrease) in Other Bank Balance including FDR's	(949.37)	516.75
Profit on Sale of Shares	24.63	2.94
Dividend Income	0.12	0.79
CSR Expenses	(151.90)	(210.87)
<b>Net Cash (used in) Investing Activities</b>	<b>(5,209.36)</b>	<b>(1,209.39)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	(123.92)	2,625.39
Dividends Paid (including Dividend Distribution Tax)	(32.37)	-
Short Term Borrowings (net)	(2,246.34)	6,402.99
Finance Costs	(1,318.69)	(936.90)
<b>Net Cash (used in) / from Financing Activities</b>	<b>(3,721.32)</b>	<b>8,091.48</b>
<b>Net Cash Inflows/( outflows) from activities</b>	<b>212.43</b>	<b>(483.54)</b>
<b>Net Increase In Cash and Cash Equivalents</b>	<b>212.43</b>	<b>(483.54)</b>
Opening Balance of Cash and Cash Equivalents	1,208.05	1,692.59
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>1,421.48</b>	<b>1,209.05</b>

The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS-7

As per our report of even date  
For Kumar Chopra & Associates  
Chartered Accountants  
Firm Registration No. 1131N

R.K. Aggarwal  
Partner  
M.No. 081510  
New Delhi, 29th May 2019



For & on behalf of the Board of Directors

Hemant Jain  
Managing Director  
Din:00305995

Dilip Kumar Karn  
Director  
Din:00061801

Suresh Chand Jaithar  
Chief Financial Officer

Ajal Kumar Gupta  
Company Secretary

## **1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS**

### **1.1 Corporate Information**

KLJ Resources Limited ("the Company") is a listed entity incorporated in India. The registered office of the Company is located at 8, Camac Street, Kolkata-700017, India having CIN: L67120WB1986PLC041487. The Company has seven wholly owned subsidiaries including one foreign subsidiary and one associate companies hereinafter collectively referred to as "the Group". The Company & its foreign subsidiary are engaged in the business of trading/ manufacturing of chemicals. Other six Indian subsidiaries are primarily engaged in the business of real estate and one Indian Associate is primarily engaged in the business of trading.

The consolidated financial statements relate to KLJ Resources Ltd., its subsidiary companies & associate.

### **1.2 Basis of Preparation**

#### **a) Statement of Compliance**

The consolidated financial statements of the group have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian accounting standards) Amendment Rules 2016.

#### **b) Basis of Measurement**

The consolidated financial statements have been prepared under the historical cost convention and on an accrual basis except for the following which have been valued at Fair value as required under Ind-AS instead of historical cost.

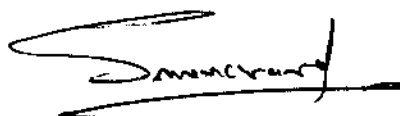
- i. Defined benefit Plan-Gratuity
- ii. Certain Financial assets and liabilities
- iii. Assets held for sale-measured at lower of cost or fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an assets or liability, the group takes into account the characteristics of the assets or liability if market participants would take those characteristics into account when pricing the assets or liability at the measurement date.

#### **c) Use of Estimates and Judgment**

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amount of income and expenses. Examples of such estimates include estimates of future obligations under employee retirement benefit plans and estimated useful life of property, plant and equipment actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Future results could differ due to changes in these estimates and difference between the actual result and the estimates are recognised in the period in which the results are known /materialize.



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All financial information presented in Indian rupees and all values are rounded to the nearest lakhs rupees with two decimal points except where otherwise stated.

**d) Basis of Consolidation**

The consolidated financial statements comprises of KLJ Resources Limited and all its subsidiaries and associate, being the entity that it controls. Controls are assessed in accordance with the requirement of Ind AS-110- Consolidated financial statements

**(i) Consolidation of Subsidiaries:**

- a) The consolidated financial statements of the Group combine Standalone financial statements of the Parent Company and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses.
- b) All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Company.
- c) In case of foreign subsidiary, revenue items are consolidated at the average rate for the period. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Other Comprehensive Income.
- d) Excess of acquisition cost over the carrying amount of the Parent's share of equity of the acquiree at the date of acquisition is recognized as goodwill. In cases where the share of the equity in the acquiree as on the date of acquisition is in excess of acquisition cost, such excess of share in equity is recognised as 'Capital reserve' and classified under 'Reserves and Surplus'.
- e) The consolidated financial statements have been presented in the same manner as Parent Company's standalone financial statements.

**(ii) Consolidation of Associate:**

- a) Investment in associates has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.
- b) The Company accounts for its share of post acquisition changes in net assets of associate, after eliminating unrealised profits and losses resulting from transactions between the Company and its associate to the extent of its share, through its Consolidated Statement of Profit and Loss.

### **1.3 Cash Flow Statement**


Consolidated Cash flow statement is reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the group are segregated based on the available information.

### **1.4 Exceptional items**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the group, is such that its disclosure improves an understanding of the performance of the group. Such income or expense is classified as an exceptional item and accordingly disclosed in the Notes to Accounts.

### **1.5 Investments**

All investments other than Subsidiaries and Associates are measured at fair value, with value changes recognized in Statement of Other Comprehensive Income.





## 1.6 Inventories

Items of inventories are valued at lower of specific cost or net estimated realizable value after providing for obsolescence, if any. Inventory of raw materials lying at factory are valued on FIFO Basis

Cost of inventories comprises of cost of purchase, cost of transport, cost of conversion and other costs including manufacturing /other overheads incurred in bringing them to their respective present location and condition. Inter-unit goods transfers are valued at lower of cost/ net estimated realizable value. Non duty paid goods lying at port has been valued without Basic Custom Duty due to uncertainty of quantum of material to be sold against transfer of ownership/ duty paid.

## 1.7 Property, Plant and Equipment and Depreciation / Amortization

- a) Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost of asset includes the following:

- i. Cost directly attributable to the acquisition of the assets
  - ii. Incidental expenditure during the construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is directly related to construction or is incidental thereto.
  - iii. Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.
- b) Cost of replacement, major inspection, repair of significant parts and borrowing costs for long-term construction projects are capitalised if the recognition criteria are met.
- c) Upon sale of assets cost and accumulated depreciation are eliminated from the financial statements and the resultant gains or losses are recognized in the statement of profit and loss.
- d) Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work- in-progress.

### Depreciation

Depreciation on Property, plant and Equipment is provided on Written Down Value (WDV) over the useful life of the assets as specified in Schedule II of the Companies Act, 2013.

## 1.8 Investment Property

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment Property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment, if any.

## 1.9 Intangible Assets and Amortisation



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Intangible assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/ depreciation and impairment loss, if any. The cost comprises of purchase price, borrowing costs and any cost directly attributable to bringing the asset to its working condition for the intended use.

Cost of items of intangible assets not ready for intended use as on the balance sheet date is disclosed as intangible assets under development.

Intangible assets are amortized over the estimated useful life. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any change in the estimate being accounted for on a prospective basis.

### **1.10 Impairment of non-financial assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. At each reporting date group assesses the estimate amount of impairment loss. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss.

### **1.11 Revenue Recognition**

The Group derives revenues primarily from sale of traded goods, manufactured goods and related services.

Effective 01 April 2018, the Group has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers'.

There is no effect on adoption of Ind-AS 115. Revenue is recognized on satisfaction of performance obligation which is treated as satisfied upon transfer of control of promised products or services to customers on output method in an amount that reflects the consideration the group expects to receive in exchange for those products or services.

On each reporting date expected credit loss on receivables is measured and accounted for as per Ind-AS 109.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue from sale of products and services are recognized at a time on which the performance obligation is satisfied.

#### **Other operating revenue – Service Charges**

Group renders services only incidental to its primary activity that is trading of goods and sale of manufactured goods. Service charges are accounted for on satisfaction of performance obligation which is treated as satisfied on completion of rendering of services under the contract.

Dividend income is recognized as and when received.

Revenue with regard to Rent is recognized with respect to its actual realization in case there exists, an uncertainty in its ultimate realization, and same is credited to Unrealized Rent

Claims: All sorts of claims by or against the group are recognized as and when acknowledged / accepted / settled / Received



A handwritten signature in black ink, appearing to read "S. Mukherjee".

### **1.12 Employee Benefits**

Short-term employee benefits- Employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits and are recognized as an expense in the Statement of Profit and Loss for the year in which the related service is rendered.

The obligations for employee benefit such as Leave encashment is accounted for on accrual basis.

Defined Contribution Plan: Contribution to defined schemes such as Provident Fund and ESI is recognized during the period in which the employee renders the related service.

Defined Benefit Plan: The Gratuity benefit is funded through the Group Gratuity Scheme under the Life Insurance Corporation of India. Contribution made under the scheme is charged as expense in the Statement of Profit & Loss.

The liability /asset in respect of defined benefit plan is the present value of the defined benefit obligation at the end of reporting period less fair value of the planned assets. The defined benefit obligation is calculated annually by actuarial valuer.

Actuarial gains or losses are recognized in Other Comprehensive Income.

Performance based declared ex-gratia & accretion thereto is provided in the Statement of Profit and Loss and to be disbursed as per the policy framed by the management.

### **1.13 Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

All other borrowing costs are charged to Statement of Profit and Loss account in the year in which they are incurred.

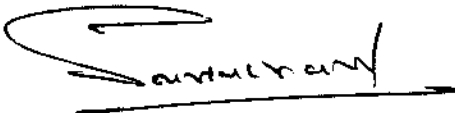
### **1.14 Functional and Presentation Currency**

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. (Functional Currency) The consolidated financial statements are presented in Indian rupees, which is the presentation currency of company.

#### **Foreign Currency Transactions**

- a. All foreign currency transactions are translated into functional Currency at the rate prevalent on the date of transaction.
- b. Non-monetary items are translated at the rate on the date of initial transaction.
- c. Monetary items denominated in foreign currency are translated at the prevailing closing spot rate at each reporting date.
- d. Foreign exchange gain or losses in respect of monetary and non-monetary items is recognised in statement of profit and loss.





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**Regd. Office : 8, Camac Street, Kolkata – 700017**

**1.15** Tax expenses represents the sum of current tax and deferred tax

**a Current Income Tax**

- i. Taxes including current income-tax are computed using the applicable tax rates and tax laws.
- ii. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.
- iii. Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. Liability for additional taxes, if any, is provided / paid as and when assessments are completed.
- iv. Current tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

**b Deferred tax**

- i. Deferred income tax is recognized using balance sheet approach.
- ii. Deferred income tax assets and liabilities are recognized for temporary differences which is computed using the tax rates and tax laws that have been enacted or substantively enacted at the reporting date.
- iii. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- iv. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.
- v. Deferred tax related to OCI Item are recognized in Other Comprehensive Income (OCI).

**1.16 Provisions**

- Provision is recognized when:
- i. The Group has a present obligation as a result of a past event, and
  - ii) A probable outflow of resources is expected to settle the obligation and
  - iii) A reliable estimate of the amount of the obligation can be made.
- Reimbursement of the expenditure required to settle a provision is recognised as per contract provisions or when it is virtually certain that reimbursement will be received.

Provisions are reviewed at each Balance Sheet date.

**Discounting of Provisions**

Provision which expected to be settled beyond 12 months are measured at the present value by using pre-tax discount rate that reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.



### **1.17 Contingent Liabilities and contingent Assets**

- a) Contingent Liabilities are disclosed in either of the following cases:
- i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation; or
  - ii) A reliable estimate of the present obligation cannot be made; or
  - iii) A possible obligation, unless the probability of outflow of resource is remote.
- b) Contingent assets is disclosed where an inflow of economic benefits is probable.
- c) Contingent Liability and Provisions needed against Contingent Liability and Contingent Assets are reviewed at each Reporting date.
- d) Contingent Liability is net of estimated provisions considering possible outflow on settlement.

### **1.18 Earnings Per Share**

In determining earnings per share, the Company considers the net profit attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The dilutive earning per share is not computed as there is no dilution involved during the year.

### **1.19 Fair Value Measurement**

Group measures financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

### **1.20 Dividend to equity holders**

Dividend paid/payable shall be recognised in the year in which the related dividends are approved by shareholders or board of directors as appropriate.

### **1.21 Financial instruments:-**

- a) **Initial recognition and measurement**





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Financial Instruments are recognized at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

**b) Subsequent measurement**

**A. FINANCIAL ASSETS**

**i. Financial Assets At Amortized Cost**

A financial asset shall be measured at amortized cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**ii. Fair value through Other Comprehensive Income.**

A financial asset is classified as at the FVTOCI if it is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The group in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments.

**iii. Fair value through Profit and loss account**

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

**B. FINANCIAL LIABILITIES**

**a) Financial liabilities at Amortized Cost**

Financial liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

**b) Financial liabilities at FVTPL**

The Group has not designated any financial liabilities at FVTPL.

**c) Derecognition**

**Financial Asset**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized only when the contractual rights to the cash flows from the asset expires or it transfers the financial assets and substantially all risks and rewards of the ownership of the asset.

**Financial Liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability



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and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

**d) Impairment of financial assets:**

The group assesses on forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 45(iv)(b) details how the group determines whether there has been significant increase in credit risk.

For trade receivables only, the group applied a simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of receivables.

**1.22 Leases**

Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Assets held under finance leases are initially recognised as Assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

**1.23 Non-current Assets (or disposal groups) held for Sale**

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

If the criteria stated by IND AS 5 "Non-current Assets Held for Sale and Discontinued Operations" are no longer met, the disposal group ceases to be classified as held for sale. Non-current asset that ceases to be classified as held for sale are measured at the lower of

- (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and
- (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

**1.24 Standard issued but not effective**



A handwritten signature in black ink, appearing to read "S. Mukherjee".

**K L J Resources Limited**  
**Regd. Office : 8, Camac Street, Kolkata - 700017**

In March 2019, the MCA notified a new standard Ind-AS 116 substituting existing Ind AS 17 related to leases to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the balance sheet. The standard requires the recognition of ROU assets and lease liabilities by lessees for leases. The asset is to be depreciated as per Ind AS 16 over and liability to be adjusted over the period of Lease. Under the standard, disclosures are required to be made with the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. We will be required to recognize and measure leases existing at, or entered into after, the beginning of the earliest comparative period presented using a retrospective method as described in Para C5(b) of the standard, with certain practical expedients available.

The standard will be effective for us beginning April 1, 2019. We will elect the available practical expedients on adoption. The standard will have an impact on our balance sheets, but will not have a material impact on our Profit and Loss statements. The most significant impact will be the recognition of ROU assets and lease liabilities for leases, while our accounting for leases as lessor remains substantially unchanged.

Adoption of the standard will result in the recognition of additional ROU assets and lease liabilities as on 01/04/2019 and also for each subsequent year. We are analyzing the impact and quantification is in progress. The standard will apply to following Lease contracts:

**As Lessee:**

- i. Office premises

**As Lessor:**

- i. Accommodations given on lease





Notes to Consolidated Financial Statements as at 31st March, 2018

2 (H) PROPERTY, PLANT AND EQUIPMENT

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.17	As at 31.03.18	As at 31.03.18	As at 01.04.17	As at 31.03.18	As at 31.03.18	As at 01.04.17	As at 31.03.18	As at 31.03.17
Factory Buildings	24.42	24.62	1.44	1.25	13.85	10.89	11.97	13.42	
Office Buildings	154.88	1,041.16	17.27	42.36	56.57	47.80	148.44	81.44	737.00
Fleet & Machinery	201.40	209.88	118.41	15.84	15.29	16.25	81.44	75.49	82.99
Furniture & Fixtures	99.28	100.44	23.52	8.63	77.01	11.45	88.45	29.44	27.85
Office Equipments	82.37	17.34	12.21	8.79	82.04	12.21	74.24	17.39	9.07
Computers & Peripherals	58.34	84.01	18.89	4.08	54.88	9.05	62.20	15.13	5.74
Vehicle	189.71	259.82	13.54	22.43	123.04	26.34	139.48	57.80	58.73
Total	1,285.09	1,732.46	512.22	189.53	823.96	122.19	671.72	1,157.66	1,206.19

2 (I) INVESTMENT PROPERTY

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.17	As at 31.03.18	As at 31.03.18	As at 01.04.17	As at 31.03.18	As at 31.03.18	As at 01.04.17	As at 31.03.18	As at 31.03.17
Land, Freehold	579.37	2,184.34	2,184.34	-	324.97	151.79	488.44	2,164.34	519.33
Buildings	845.98	3,411.21	27.70	344.07	488.44	151.79	2,954.76	3,106.54	698.01
Total	1,425.35	5,595.55	282.07	371.77	813.41	303.58	488.44	5,176.18	1,217.34

2 (C) INTANGIBLE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.17	As at 31.03.18	As at 31.03.18	As at 01.04.17	As at 31.03.18	As at 31.03.18	As at 01.04.17	As at 31.03.18	As at 31.03.17
Software	19.00	19.00	4.19	1.03	17.86	0.71	18.80	5.18	2.73
Total	19.00	19.00	4.19	1.03	17.86	0.71	18.80	5.18	2.73



*Signature*

Notes to Consolidated Financial Statements as at 31st March 2019

3 NON CURRENT INVESTMENTS

(Rupees in Lakhs)

Sl. No.	Name of the Company	Nature of Investment	Face Value	No of Shares		Amount	
				As at 31-03-19	As at 31-03-18	As at 31-03-19	As at 31-03-18
A	In Equity Shares						
a) Quoted (Fully Paid Up)							
1	Hindustan Petroleum Corporation Ltd. Market Value as on 31-3-19 Rs.3,82,725/- (PY- Rs.4,64,803/-)	Equity Shares	10	1,350	1,350	3.83	4.85
2	GAIL (India) Ltd. Market Value as on 31-3-19 Rs.NIL (PY- Rs.18,61,848/-)	Equity Shares	10	-	5,868	-	18.82
b) Unquoted (Fully Paid Up)							
i) In Associates							
1	Harnag Plastic Goods Pvt. Ltd. (Shareholding 24%)	Equity Shares	10	16,235	16,235	4.89	4.90
2	KLJ Organic (Thailand) Limited (Shareholding 27.54%)	Equity Shares	Bank 125	2,70,010	-	744.72	-
ii) In Others							
1	Priyvi Sound Products Co. Pvt. Ltd	Equity Shares	100	5,716	5,715	520.82	451.83
2	Lubhavi Properties Pvt. Ltd.	Equity Shares	10	8,600	8,600	87.51	1.34
3	M.H Buldbach Pvt. Ltd.	Equity Shares	10	6,40,000	6,40,000	65.92	65.85
4	Bhadari Financers Pvt. Ltd.	Equity Shares	10	33,500	33,500	37.86	35.16
5	Pragati Imports Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.64	30.47
6	Pragati Imptrade Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.85	30.47
7	Pragati Tradecom Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.86	30.47
8	Swasilk Exports and Imports Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.85	30.48
9	Swasilk Tracom Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.86	30.48
10	Swasilk Tradex Pvt. Ltd.	Equity Shares	10	45,000	45,000	30.85	30.48
11	KLJ Developers Pvt Ltd	Equity Shares	10	4,78,000	4,78,000	1,060.52	1,053.20
12	KLJ Plastic Ltd	Equity Shares	10	58,000	58,000	-	-
13	AMI Computers Ltd	Equity Shares	10	2,000	2,000	-	-
14	Asia Pacific Financial Services Ltd	Equity Shares	10	500	500	-	-
15	S M Dychem Ltd	Equity Shares	10	500	500	-	-
B	In Preference Shares- Unquoted (Fully Paid Up)						
1	KLJ Plastic Ltd	Preference Shares	10	15,210	15,210	-	-
C In Mutual Funds: Quoted (Fully Paid Up)							
1	Kotak Standard Multicap Fund Market Value as on 31-3-19 Rs.2,18,17,178/- (PY- Rs. 1,95,85,846/-)	Mutual Funds (No's in units)	10	6,14,949	6,14,949	218.17	195.66
2	SBI Liquid Fund Direct Market Value as on 31-3-19 Rs. 25,08,81,934/- (PY- NIL)	Mutual Funds (No's in units)	10	85,496	-	2,503.82	-
Total Investments						5,431.89	2,014.02

a) Aggregate amount of quoted investments and market value thereof:	2,725.82	218.92
b) Aggregate amount of unquoted investments:	2,705.87	1,795.10
c) Aggregate amount of impairment in value of investments:	65.19	65.19

\* Fair value of unquoted investment other than Associates for 31st March, 2019 is taken on the basis of provisional financial statement of 31st March, 2019.

Equity Investments other than those in Associates are recognised at Fair Value through Other Comprehensive Income as per IAS 109. Investments in associates have been carried at cost.



*(Signature)*

	As At 31st Mar 2019	As At 31st Mar 2018
<b>4 OTHER NON CURRENT FINANCIAL ASSETS</b> (Unsecured, considered good)		
Security Deposits	66.90	47.12
Advance for Investment *	1,382.48	-
	<u>1,449.38</u>	<u>47.12</u>
* As per the management, advance for investments was given for the purchase of commercial property to be owned by the company and other party as per agreed contract. In the event that the commercial property is not jointly purchased within the period of 6 months from the date of signing of the contract, other party will return the advance in full to the company by no later than 25th September 2019. Further the company will be compensated at 8% if the funds have not been deployed after 6 months.		
<b>6 DEFERRED TAX ASSETS / (LIABILITIES) (net)</b>		
Opening Balance	(100.47)	47.91
Add: Charge/(Credit) to Statement of Profit and Loss	3.70	1.54
Add: Charge/(Credit) to Other Comprehensive Income	33.72	(149.80)
	<u>(63.04)</u>	<u>(100.48)</u>
<b>Component of Deferred Tax Asset / (Liabilities)</b>		
<b>Opening Balance</b>		
Property, Plant & Equipment and Intangible Asset	92.44	83.18
Provisions	36.33	44.06
Fair Value of Investment	(229.24)	(79.33)
Defined Benefit Plans	-	-
	<u>(100.47)</u>	<u>47.91</u>
<b>Charge/(Credit) to Statement of Profit and Loss</b>		
Property, Plant & Equipment and Intangible Asset	11.25	9.26
Provisions	(7.55)	(7.72)
	<u>3.70</u>	<u>1.54</u>
<b>Charge/(Credit) to Other Comprehensive Income</b>		
Fair Value of Investment	34.54	(149.80)
Defined Benefit Plans	(0.91)	-
	<u>33.73</u>	<u>(149.80)</u>
<b>Closing Balance</b>		
Property, Plant & Equipment and Intangible Asset	103.89	92.44
Provisions	28.78	36.33
Defined Benefit Plans	(0.91)	-
Fair Value of Investment	(194.80)	(229.24)
	<u>(63.04)</u>	<u>(100.47)</u>
The tax component of increase in non-current investments on account of fair valuation is recognised in other comprehensive income due to which there is an increase in deferred tax assets.		
<b>6 OTHER NON CURRENT ASSETS</b>		
Planned Asset (Gravtully)	55.57	34.17
Security Deposit	16.07	18.57
	<u>71.64</u>	<u>52.74</u>
<b>7 INVENTORIES</b> (Lower of Cost or net Realisable value)		
Stock in Trade	42,186.82	36,689.46
Raw Materials	905.54	814.53
Finished Goods	115.70	121.82
	<u>43,218.06</u>	<u>37,625.81</u>
Goods in transit included in above Inventories of Rs.10219.23 Lakhs (Stock in Trade Rs.10201.80 Lakhs and Raw Materials Rs.17.43 Lakhs) in FY 2018-19		
Goods in transit included in above Inventories of Rs.7324.30 Lakhs (Stock in Trade Rs.7461.92 Lakhs and Raw Materials Rs.82.38 Lakhs) in FY 2017-18		
<b>8 TRADE RECEIVABLE</b> (Unsecured, considered good)		
Exceeding Six Months	295.08	16.89
Others:		
Related Party	1,892.06	742.83
Others	25,890.27	18,871.53
	<u>27,977.41</u>	<u>19,631.25</u>
Less: Provision for Expected Credit Losses	8.00	8.00
	<u>27,870.41</u>	<u>19,623.25</u>



*[Handwritten Signature]*

**K L J Resources Limited**  
**Regd. Office: 8, Camac Street, Kolkata-700017**

**Notes to Consolidated Financial Statements as at 31st March 2019**

(Rupees in Lakhs)

	<u>As At</u> <u>31st March, 2019</u>	<u>As At</u> <u>31st March, 2018</u>
<b>9 CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	12.01	19.73
<u>Balance with Banks:</u>		
Current Accounts	1,409.46	1,189.32
	<u>1,421.48</u>	<u>1,209.05</u>
<b>10 BANK BALANCES OTHER THAN CASH &amp; CASH EQUIVALENTS</b>		
FDR's with Banks as Margin Money	1,711.90	2,312.53
FDR's with Banks as Security	1,550.00	-
	<u>3,261.90</u>	<u>2,312.53</u>
<b>11 LOANS</b>		
(Unsecured, Considered Good)		
Others	5,533.25	4,141.02
	<u>5,533.25</u>	<u>4,141.02</u>
<b>12 OTHER CURRENT FINANCIAL ASSETS</b>		
Prepaid Expenses	162.23	149.73
SAD Receivable	9.44	15.89
Accrue Interest on FDR's	66.54	111.53
Balance of Cenvat/Excise/GST	1,457.51	1,799.41
Advances (Recoverable in cash or in kind or for value to be received)	1,203.53	1,238.00
Rent Receivable	15.93	15.42
	<u>2,905.18</u>	<u>3,329.98</u>
<b>13 CURRENT TAX</b>		
<b>13.1 Current Tax Asset</b>		
Advance Tax & TDS	-	-
Less: Direct Tax Payable	-	-
	<u>-</u>	<u>-</u>
<b>13.2 Current Tax Liability</b>		
Direct Tax Payable	2,022.00	3,075.69
Less: Advance Tax & TDS	1,853.98	2,853.40
	<u>168.02</u>	<u>222.29</u>



*S. Sankar*

**Notes to Consolidated Financial Statements as at 31st March 2019**

**14 EQUITY SHARE CAPITAL**

Authorised Share Capital:

2,50,00,000 Equity Shares (FY 2,50,00,000 Equity Shares) of Rs. 10/- each

(Rupees in Lakhs)	
As At	As At
31st March, 2018	31st March, 2019
2,500.00	2,500.00

Issued, Subscribed, Called & fully Paid -up shares:

1,07,40,000 Equity Shares (FY 1,07,40,000 Equity Shares) of Rs. 10/- each, fully paid up.

1,074.00	1,074.00
1,074.00	1,074.00

(e) Reconciliation of the shares outstanding at the beginning and at the end of the

Equity Shares

	As At 31st March, 2019		As At 31st March, 2018	
	No. of Shares Held	Amount	No. of Shares Held	Amount
At the beginning of the year	1,07,40,000	1,074.00	71,60,000	716.00
Issued during the year	-	-	35,80,000	358.00
Outstanding at the end of the year	1,07,40,000	1,074.00	1,07,40,000	1,074.00

(b) Rights, preference and restrictions attached to Equity Shares:

The company has at present only one class of equity shares having a par value of Rs. 10/- each share. Each shareholder is entitled for one vote per share held & entitled to dividend in proportion of their shareholdings. In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholdings.

(c) During the financial year 2017-18 the Company has issued 35,80,000 Bonus share in the ratio of one equity share for every two shares held by capitalization of Securities Premium Reserve.

(d) The Company has not issued any shares for a consideration other than cash immediately preceding five year except aforesaid Bonus Shares.

(e) Details of Shareholders holding more than 5% shares in the company:

Name of the Shareholders	As At 31st March, 2019		As At 31st March, 2018	
	No. of Shares Held	Percentage of Holding	No. of Shares Held	Percentage of Holding
Sh. Hemant Jain	13,15,200	12.25	13,15,200	12.25
Sh. Kamal Jain	13,14,750	12.24	13,14,750	12.24
Sh. Pushp Jain	13,15,050	12.24	13,15,050	12.24
Bhadani Financiers Pvt. Ltd.	12,00,000	11.17	12,00,000	11.17
Siddhi Shree Vincom Pvt. Ltd.	12,09,022	11.26	12,09,022	11.26
Sh. K. L. Jain	9,75,000	9.08	9,75,000	9.08
Mangalshree Suppliers Pvt. Ltd.	8,98,200	8.36	8,98,200	8.36
Pioneer Infra-Constructions (P) Ltd.	7,50,750	6.99	7,50,750	6.99
Smt. Sushila Jain	6,75,000	6.28	6,75,000	6.28






K L J Resources Limited

Regd. Office: 8, Camac Street, Kolkata-700017

**Notes to Consolidated Financial Statements as at 31st March 2018**

		(Rupees in Lakhs)	
		As At 31st March, 2018	As At 31st March, 2017
<b>15</b>	<b>OTHER EQUITY</b>		
a)	<b>Securities Premium Account</b>		
	Balance as per last financial statements	3,819.60	4,177.60
	Add: Addition during the year	-	-
	Less: Utilised on issue of Bonus Shares	-	358.00
	<b>Closing Balance</b>	<b>3,819.60</b>	<b>3,819.60</b>
b)	<b>Capital Reserves</b>		
	Balance as per last financial statements	316.24	314.10
	Add: Exchange fluctuation on investment with foreign subsidiary	39.91	2.14
	<b>Closing Balance</b>	<b>356.15</b>	<b>316.24</b>
c)	<b>Retained Earnings</b>		
	Balance as per last financial statements	31,337.21	25,311.93
	Add: Profit for the year	3,588.92	5,991.64
	Add: Profit/(Loss) of Subsidiaries upto 31.03.2017	-	33.64
	Less: Dividend (Including Tax)	32.37	-
	<b>Net Surplus in the statement of profit and loss</b>	<b>34,893.76</b>	<b>31,337.21</b>
d)	<b>Other Comprehensive Income</b>		
	Balance as per last financial statements	451.80	441.47
	Add: Adjustment of Planned Assets (Gratuity)	1.70	(9.62)
	Add: Fair Value of Investment	207.59	15.93
	Add:- Exchange Fluctuation Difference	81.30	4.22
	<b>Net Balance of Other Comprehensive Income</b>	<b>742.39</b>	<b>451.80</b>
		<b>39,811.91</b>	<b>35,924.66</b>
<b>16</b>	<b>BORROWINGS-NON-CURRENT</b>		
	<b>Secured</b>		
	From Bank:		
	Term Loan	1,808.95	1,975.26
	(Secured by equitable mortgaged on Immovable properties at DLF Magnolia, gurgaon, Haryana.)		
	<b>Unsecured</b>		
	Others	711.98	889.59
		<b>2,520.93</b>	<b>2,864.85</b>
<b>17</b>	<b>PROVISIONS-NON-CURRENT</b>		
	Provisions for employee benefits		
	Ex-Gratia	84.68	105.35
		<b>84.68</b>	<b>105.35</b>
<b>18</b>	<b>OTHER NON CURRENT LIABILITIES</b>		
	Security Deposits	95.38	
	Others	3.10	
		<b>98.48</b>	



*Somvendra*

**Notes to Consolidated Financial Statements as at 31st March 2019**

		(Rupees in Lakhs)	
		As At	As At
		31st March, 2019	31st March, 2018
19	<b>BORROWINGS-CURRENT</b>		
	Secured		
	From Banks:		
	Cash Credit Facilities*	2,312.51	4,708.71
	Buyer's Credit in Foreign Currency*	10,776.43	11,313.84
		<u>13,088.94</u>	<u>16,022.55</u>
	Unsecured		
	Loans	892.66	205.39
	Related Parties	<u>862.66</u>	<u>205.39</u>
		<u>13,951.60</u>	<u>16,227.94</u>
*Credit Facilities are secured as under:			
The facilities are secured by the first charge on pari passu basis with all banks in Consortium on stocks in trade and the entire current assets including goods in transit and Book Debts and Receivables. Further the loans are collateralized by the guarantees of promoter directors/group concern and some additional properties owned by the company/directors' relatives/group concerns. In respect of Buyer's Credit, Indian Bankers have given guarantee to foreign banks.			
20	<b>TRADE PAYABLES</b>		
	Related Parties	1,740.46	214.66
	Others	33,958.66	18,351.15
		<u>35,699.12</u>	<u>18,565.81</u>
21	<b>OTHER FINANCIAL CURRENT LIABILITIES</b>		
	Current Maturity of Long Term Borrowings	166.30	172.40
	Interest accrued	35.92	54.73
		<u>206.22</u>	<u>227.13</u>
22	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory Liabilities	192.48	123.07
	Advances From Customers	808.85	133.83
	Other Payables	2,771.91	1,428.16
		<u>3,773.24</u>	<u>1,685.06</u>



*[Handwritten Signature]*

**K L J Resources Limited**  
**Regd. Office: 8, Camac Street, Kolkata-700017**

**Notes to Consolidated Financial Statements for the Year Ended 31st March 2019**

	<b>Year Ended</b>	<b>Year Ended</b>
	<b>31st March, 2019</b>	<b>31st March, 2018</b>
		<i>(Rupees in Lakhs)</i>
<b>23 REVENUE FROM OPERATIONS (GROSS)</b>		
Sale of Products	2,06,154.89	1,62,320.68
Other Operating revenues	260.17	79.49
	<b>2,06,415.06</b>	<b>1,62,400.17</b>
<b>24 OTHER INCOME</b>		
Interest on FDRs	110.07	137.49
Interest Other's	658.12	798.64
Rent	482.48	507.67
Bad Debts Recovery (Net of Write off)	35.10	-
Profit on Sale of Shares (Net)	24.63	2.94
Dividend	0.12	0.79
Profit on Sale of Fixed Assets	1.93	0.67
Misc. Income	75.80	77.77
	<b>1,388.25</b>	<b>1,525.97</b>



*Samrat*

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Notes to Consolidated Financial Statements for the Year Ended 31st March 2019

	Year Ended 31st March, 2019	(Rupees in Lakhs) Year Ended 31st March, 2018
<b>25 COST OF MATERIAL CONSUMED</b>		
Opening Stock	814.53	1,866.00
Add : Purchases	<u>6,240.40</u>	<u>4,771.00</u>
	7,054.93	6,437.00
Less: Closing Stock	<u>905.54</u>	<u>814.53</u>
	<u>6,149.39</u>	<u>5,622.47</u>
<b>26 PURCHASE OF STOCK-IN-TRADE</b>		
Purchase of Traded Goods	1,63,767.53	1,27,584.84
Import Expenses	3,886.40	4,121.27
Foreign Exchange Fluctuation Effect	<u>1,675.13</u>	<u>(33.81)</u>
	<u>1,69,309.06</u>	<u>1,31,652.10</u>
<b>27 CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK-IN-TRADE</b>		
Opening Stock		
Traded Goods	36,889.48	31,916.65
Finished Goods	<u>121.82</u>	<u>112.82</u>
	36,811.28	32,029.47
Less : Closing Stock		
Traded Goods	42,196.82	36,889.46
Finished Goods	<u>115.70</u>	<u>121.82</u>
	<u>42,312.52</u>	<u>36,811.28</u>
	<u>(5,501.24)</u>	<u>(4,781.81)</u>
<b>28 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries & Wages *	1,985.24	1,634.23
Contribution to Provident and other funds	64.43	69.42
Staff Welfare Expenses	<u>38.40</u>	<u>57.74</u>
	<u>2,088.07</u>	<u>1,761.39</u>

\* Included Managerial Remuneration Rs.1043.22 Lakhs (PY Rs.807.39 Lakhs)



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**K L J Resources Limited**  
**Regd. Office: 8, Camac Street, Kolkata-700017**

**Notes to Consolidated Financial Statements for the Year Ended 31st March 2018**

	<b>Year Ended 31st March, 2019</b>	<b>(Rupees in Lakhs) Year Ended 31st March, 2018</b>
<b>29 FINANCE COST</b>		
Interest Paid	1,229.28	803.57
Bank Charges & Commission	89.41	133.33
	<b>1,318.69</b>	<b>936.90</b>
<b>30 OTHER EXPENSES</b>		
Rent	38.06	40.66
Rates & Taxes / Fees	17.19	23.26
Repairs & Maintenance	121.88	138.04
Insurance Expenses	2.33	15.47
Power, Electricity & Water	15.68	14.31
Consumable Stores, Spares Parts Consumed	0.95	0.54
Telephones & Mobile	20.25	15.19
Postage & Courier Charges	10.42	8.90
Printing, Stationery & Computer expenses	13.23	13.54
Travelling and Conveyance	164.04	142.73
Vehicle Running & Maintenance	13.55	10.36
Excise Duty (Net)	-	(13.88)
Sales Tax & Vat	-	910.04
Advertising & Publicity	15.18	42.83
Business Promotion	69.36	73.43
Brokerage & Commission	211.77	213.58
Export Expenses	2.01	0.53
Freight Expenses	507.33	470.09
Consultancy, Legal & Professional Fees	84.39	103.58
Membership & Subscriptions	8.00	10.84
Director Sitting Fee	0.88	1.18
Miscellaneous Expense	19.02	23.41
Bad Debts (Net)	-	521.91
CSR Expenses	151.90	210.97
Provision for Expected Credit Losses	2.00	6.00
Auditor Remuneration- Refer Note 37	13.47	12.69
	<b>1,503.00</b>	<b>3,010.12</b>
<b>31 OTHER COMPREHENSIVE INCOME</b>		
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
a) <b>Remeasurement of Defined benefit plans</b>		
Items that will not be reclassified to Profit or Loss	2.62	(9.82)
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss	(0.91)	-
b) <b>Exchange Fluctuation Difference</b>	81.30	4.22
c) <b>Remeasurement of Fair Value Investment</b>		
Items that will not be reclassified to Profit or Loss	172.95	165.84
Income Tax relating to items that will not be reclassified to Statement of Profit and Loss	34.64	(149.90)
<b>Breakup of Tax</b>		
i) Current year Income Tax	(40.29)	(149.90)
ii) Excess Income Tax of earlier year reversed	74.83	-
	<b>290.60</b>	<b>10.34</b>

Actuarial Gain on Government Securities in fair valuation of investments along with its tax component are recognised in other comprehensive income.



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**K L J Resources Limited**  
 Regd. Office: 3, Camac Street, Kolkata-700017

**Note 32. Earnings per Share:**

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
	(Rs. per share)	(Rs. per share)
<b>Basic EPS</b>		
From continuing operation	33.42	55.79
From discontinuing operation	-	-
<b>Diluted EPS</b>		
From continuing operation	33.42	55.79
From discontinuing operation	-	-

**32.1 Basic Earning per Share**

The earnings and weighted average number of equity shares used in calculation of basic earning per share:-

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Profit attributable to equity holders of the company:		
Continuing operations	3,588.92	5,991.57
Discontinuing operations	-	-
<b>Earnings used in calculation of Basic Earning Per Share</b>	<b>3,588.92</b>	<b>5,991.57</b>

Weighted average number of shares for the purpose of basic earnings per share

1,07,40,000      1,07,40,000

**32.2 Diluted Earning per Share**

The earnings and weighted average number of equity shares used in calculation of diluted earning per share:-

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Profit attributable to equity holders of the company:		
Continuing operations	3,588.92	5,991.57
Discontinuing operations	-	-
<b>Earnings used in calculation of diluted Earning Per Share from continuing operations</b>	<b>3,588.92</b>	<b>5,991.57</b>

The weighted number of equity shares for the purpose of diluted earning per share reconciles to the weighted average number of equity shares used in calculation of basic earning per share as follows:

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Weighted average number of Equity shares used in calculation of basic earnings per share	1,07,40,000	1,07,40,000
Effect of dilution:		
Share Options	-	-
<b>Weighted average number of Equity shares used in calculation of diluted earnings per share</b>	<b>1,07,40,000</b>	<b>1,07,40,000</b>

The Company has issued and allotted 35,80,000 equity shares to the eligible holders of the equity shares on the book closure date (i.e. 30.03.2019) as bonus equity shares by capitalizing reserves on 30.03.2019.

**Note 33. Employee Benefit Obligation**

The Company obtained reports as required by Ind AS 19 (Employee Benefits) based on which disclosures have been made in the financial statement for the year ended March, 31 2019. The disclosures as required by the Ind AS 19 are as below.

**Defined Benefit Plan**

**Gratuity**

The Company makes annual contributions to an income tax approved irrevocable trust gratuity fund to finance the plan liability, a funded defined benefit plan for qualifying employees.

**Actuarial Assumptions**

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
i) Discounting Rate	7.66%	7.71%
ii) Future Salary Increase	6.00%	6.00%

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Retirement Age (Years)	50	60
Mortality rates inclusive of provision for disability	100% of IALM (2006-08)	
Attrition at Ages	Withdrawal Rate	Withdrawal Rate
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

**Balance Sheet and related analysis**

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
Present Value of the obligation at end	120.63	103.69
Fair value of plan assets	176.10	137.86
<b>Unfunded Liability/provision in Balance Sheet</b>	<b>55.57</b>	<b>34.17</b>

**The amounts recognized in the Income statement**

Particulars	(Rupees in Lakhs)	
	31st March 2019	31st March 2018
<b>Total Service Cost</b>	<b>13.85</b>	<b>22.77</b>



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Net Interest Cost	(2.63)	(3.46)
Expense recognized in the Income Statement	11.22	19.31
<b>Other Comprehensive Income (OCI)</b>		
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	2.80	(9.08)
Actuarial gain / (loss) for the year on Asset	0.02	(0.74)
Unrecognized actuarial gain/(loss) at the end of the year	2.62	(9.82)
<b>Change In Net Defined Benefit Obligation</b>		
Net defined benefit liability at the start of the period	(34.17)	(43.30)
Acquisition adjustment	-	-
Total Service Cost	13.85	22.77
Net Interest cost (Income)	(2.63)	(3.46)
Re-measurements	(2.62)	9.82
Contribution paid to the Fund	(30.00)	(20.00)
Benefit paid directly by the enterprise	-	-
Net defined benefit liability at the end of the period	(55.57)	(34.17)
<b>Sensitivity Analysis of the defined benefit obligation</b>		
<b>a) Impact of the change in discount rate</b>		
<u>Present Value of Obligation at the end of the period</u>	<u>120.63</u>	<u>103.89</u>
Impact due to increase of 0.50%	(6.38)	(5.44)
Impact due to decrease of 0.50%	6.92	5.93
<b>Impact of the change in salary increase</b>		
<u>Present Value of Obligation at the end of the period</u>	<u>120.63</u>	<u>103.89</u>
Impact due to increase of 0.50%	7.00	5.21
Impact due to decrease of 0.50%	(6.48)	(5.14)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

**Note 34. Investment Properties**

**(i) Lease Arrangements**

The Group has various premises under operating lease arrangements. These are cancellable and range between 11 months to 5 years which are renewable by mutual consent on mutually agreeable terms. The Group has given interest free security deposit under certain agreements.

**(ii) Amount recognised in profit or loss for investment properties**

Rental Income	482.48	507.87
Depreciation	32.43	34.30
Rental	0.34	0.31
Profit from investment properties	448.72	473.88

**(iii) Estimation of fair value**

The Group has four properties that have been considered as building under investment properties. The fair value of the leased properties is estimated at Rs. 8128 lakhs. The fair valuation is based on valuation report by the approved valuers.

(iv) Immovable Property held for rental income and capital appreciation classified as investment property as per Ind AS 40.

**Note 36. Loans and Advances etc.**

Balances in Loans and advances, Receivables / Recoverable, Advance from Customers, Sundry Creditors and Sundry Debtors etc. are subject to reconciliation, confirmation and consequential adjustments, if any

In the opinion of the management, the value of Current Assets, Loans and Advances, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet, except unless stated otherwise. The Provision for all known Liability is adequate and not in excess of the amount considered reasonably necessary.

**Note 36. Contingent Liabilities and Contingent Assets**

**36.1 Contingent Liabilities**

i) Contingent Liabilities, as defined in Ind AS 37 on "Provisions on Contingent Liabilities and Contingent Assets", are disclosed below. Provision is made, if it becomes probable that an outflow of future economic benefits will be required for the item previously dealt with as Contingent Liability.

	(Rupee in Lakhs)	
Net Outstanding LC's with Bank	5,121.79	8,905.98
Corporate Guarantee issued to Bank (for wholly owned subsidiary)	6,917.13	6,504.41

**in case of foreign subsidiary**

The Company has working capital facilities (WCF) from ICICI Bank Limited (DIFC Branch), Dubai, UAE. The WCF are comprising of fund based facilities in the form of Trust Receipt of USD 10.0 million with fund based sub limit of Working Capital Demand Loan upto USD 5.0 million and non-fund based sub limit of Financial Guarantee and Performance Guarantee and Letter of Credit of USD 10.0 million and additional non fund based sub limit of Stand by Letter of Credit of USD 5.0 million.

The facilities are secured by:

- Hypothecation of stocks and receivables of the borrower on a pari passu basis;
- Corporate Guarantee of K L J Resources Limited (Parent/Holding Company) up to 110.0% of the facility amount;



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- c) Personal Guarantee of Mr. Hemant Jain (Promoter/Director);  
d) Subordination of KLJ Resources Ltd's current account with the borrower.

i) It is not practical of the Group to estimate the timing of cash outflow if any in respect of above stated contingent liabilities.

ii) Group does not expect any reimbursement from third party in respect of these contingent liabilities.

**36.2 Contingent Asset**

NIL

**Note 37. Break Up of Auditors Remuneration**

	(Rupees in Lakhs)	
	31st March 2018	31st March 2017
Payment to Statutory Auditors		
- Audit Fee	7.72	6.44
- Tax Audit and Certification Work	0.50	2.00
Payment to Tax Auditors	0.50	-
Payment to Cost Auditors	1.75	2.00
Payment to Internal Auditors	3.00	2.28
	13.47	12.89

**Note 38. Detail of Unhedged Foreign currency exposures are as under:**

	(Rupees in Lakhs)	
	31st March 2018	31st March 2017
Un-hedged Foreign Currency Payable	44,000.40	28,984.00

Note 39. No amounts are due for deposits at the Balance Sheet date to the Investor Education and Protection Fund.

Note 40. There are no delays in payments to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information has been determined to the extent such parties have been identified on the basis of information available with the Group.

**Note 41. Additional Information:**

a) Value of Imports calculated on CIF Basis

	(Rupees in Lakhs)	
	31st March 2018	31st March 2017
Materials (Chemicals)	1,58,222.38	1,14,642.76

b) Expenditure in Foreign Currency during the Year

	(Rupees in Lakhs)	
	31st March 2018	31st March 2017
Interest	326.75	181.54
Travelling & Tour	85.77	45.55
Business Promotion	1.15	5.11
Membership & Subscriptions	2.47	6.28
Insurance	-	12.51
Survey Fee	-	1.14
Cleaning and Handling Charges	1.13	-

c) Value of Raw Materials and Stores and Spares consumed during the Year Ended

	(Rupees in Lakhs)		Percentage %	
	31st March 2018	31st March 2017	31st March 2018	31st March 2017
<b>Raw Materials</b>				
Imported	5,475.16	5,101.48	89.04%	90.73%
Indigenous	674.22	520.89	10.96%	9.27%
<b>Total</b>	6,149.38	5,622.47	100.00%	100.00%
<b>Stores &amp; Spares</b>				
Indigenous	0.95	0.54	100.00%	100.00%
<b>Total</b>	0.95	0.54	100.00%	100.00%

d) Earnings in Foreign Exchange

	(Rupees in Lakhs)	
	31st March 2018	31st March 2017
Export of Goods calculated on F.O.B. basis	7,384.10	8,241.11

**Note 42. Corporate Social Responsibility (CSR)**

a) CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs.145.90 Lakhs (Previous Year Rs.116.47 Lakhs)

b) Expenditure related to Corporate Social Responsibility is Rs.151.90 lakhs (Previous Year Rs.210.87 Lakhs)

**Detail of Amount spent towards CSR given below:**

	(Rupees in Lakhs)	
	31st March 2018	31st March 2017
Health	151.90	210.87
<b>Total</b>	151.90	210.87



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Note 43. Disclosures in respect of Indian Accounting Standard (Ind AS-24) 'Related Party Disclosures' as specified under Section 135 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended):

1 Enterprises where control exists:-

Subsidiaries:

Alamonte Townships and Resorts Pvt. Ltd.  
Brokenhills Townships and Resorts Pvt. Ltd.  
Springdale Townships and Resorts Pvt. Ltd.  
Valley View Townships Pvt. Ltd.  
AK Bulktach Pvt. Ltd.  
Sadhok Real Estate Pvt. Ltd.  
KLJ Resources DMCC  
KLJ Resources PTE Ltd (Subsidiary of KLJ Resources DMCC)

2 Other related parties with whom the company had transactions:-

a) Associates:

Hemlog Plastic Goods Pvt. Ltd.  
KLJ Organic (Thailand) Ltd. (Associates of KLJ Resources DMCC)

b) Others (Group Concern):

KLJ Pesticizers Limited.  
KLJ Organic Ltd.  
KLJ Organic Qatar WLL  
Pritivi Sound Products Co. Pvt Ltd.  
KLJ Polymers & Chemicals Ltd.  
HH Bulktach Pvt. Ltd.  
Inspiration Dealers Pvt. Ltd.  
Hemlog Traders Pvt. Ltd.  
KLJ Developers Private Limited  
D M Realty Developers Pvt. Ltd.

c) Key Management Personnel:

Sh. Hemant Jain	Managing Director
Sh. Praveen Sharma	Company Secretary
Sh. Naveen Bhatra	Company Secretary
Sh. Ajai Kumar Gupta	Company Secretary
Sh. Suresh Chand Jaitheer	Chief Financial Officer

d) Relatives of Key Management Personnel:

Ms Neelu Jain	Sr. Manager (Business Development)
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(Rupees in Lakhs)

Note 43. Disclosures in respect of Indian Accounting Standard (Ind AS-24) 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended):

S.No.	Nature of Transaction	Name of Related Parties	Relationship	31st March, 2019	31st March, 2018
a)	Transactions during the year				
1	Purchases	KLJ Plasticizers Limited.	Group Concern	2,480.47	1,400.52
		KLJ Organic Ltd.	Group Concern	1,184.09	2,191.03
		KLJ Organic Qatar WLL	Group Concern	723.43	-
		Prithvi Sound Products Co. Pvt Ltd.	Group Concern	1,546.00	153.77
				<b>5,934.99</b>	<b>3,745.32</b>
2	Sales	KLJ Plasticizers Limited.	Group Concern	1,215.90	690.76
		KLJ Organic Ltd.	Group Concern	6,839.21	3,726.79
		KLJ Organic (Thailand) Ltd.	Associate Concern	50.19	-
				<b>19,105.30</b>	<b>4,417.55</b>
3	Rent Paid	KLJ Polymers & Chemicals Ltd.	Group Concern	17.28	17.38
		KLJ Plasticizers Limited.	Group Concern	14.16	10.62
		HH Buildtech Pvt. Ltd.	Group Concern	1.42	1.41
		Inspiration Dealers Pvt. Ltd.	Group Concern	7.08	1.77
		Harnlog Traders Pvt. Ltd.	Group Concern	-	5.27
				<b>39.94</b>	<b>36.45</b>
4	Rent Received	KLJ Developers Private Limited	Group Concern	29.72	29.53
				<b>29.72</b>	<b>29.53</b>
5	Maintenance Paid	D M Realty Developers Pvt. Ltd.	Group Concern	8.84	7.98
				<b>8.84</b>	<b>7.98</b>
6	Conversion Charges Paid	KLJ Organic Ltd.	Group Concern	38.50	73.25
				<b>38.50</b>	<b>73.25</b>
7	Reimb. of Exp. Paid	KLJ Polymers & Chemicals Ltd.	Group Concern	14.31	12.75
		KLJ Plasticizers Limited	Group Concern	-	0.13
				<b>14.31</b>	<b>12.88</b>
8	Reimb. of Exp. Recd	KLJ Organic Ltd.	Group Concern	75.15	-
		KLJ Plasticizers Limited.	Group Concern	14.24	-
				<b>89.39</b>	<b>-</b>
9	Storage Rent Paid	KLJ Plasticizers Limited.	Group Concern	14.22	49.25
				<b>14.22</b>	<b>49.25</b>



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(Rupees in Lakhs)

Note 43. Disclosures in respect of Indian Accounting Standard (Ind AS-24) 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended):

S.No.	Nature of Transaction	Name of Related Parties	Relationship	31st March, 2019	31st March, 2018
10	Interest Paid	Sh. Hemant Jain	Managing Director	82.52	13.12
				<u>82.52</u>	<u>13.12</u>
11	CSR Expenditure	KLJ Developers Private Limited	Group Concern	131.00	170.00
				<u>131.00</u>	<u>170.00</u>
12	CSR Contribution Received	KLJ Developers Private Limited	Group Concern	12.14	-
				<u>12.14</u>	<u>-</u>
13	Remuneration (Key Managerial Personnel)	Sh. Hemant Jain	Managing Director	1,043.22	807.39
		Sh. Praveen Sharma	Company Secretary	13.07	31.08
		Sh. Sunish Chand Jaitner	Chief Financial Officer	23.17	5.51
		Sh. Navneet Bohra	Company Secretary	2.81	-
		Sh. Ajai Kumar Gupta	Company Secretary	1.68	-
		Sh. Hemant Jain Nehata	Chief Financial Officer	-	20.42
		Ms. Neel Jain	Sr. Manager ( Business Development)	16.39	14.85
				<u>1,100.34</u>	<u>879.25</u>
14	Director Sitting Fees	Sh. Dilip Kumar Kam	Director	0.14	0.18
		Sh. Sukh Raj Sethua	Director	0.30	0.40
		Sh. Gushen Raj Kanwal	Director	0.30	0.40
		Sh. Sudeep Mehta	Director	-	0.02
		Ms. Kalpana Sath	Director	0.14	0.18
				<u>0.58</u>	<u>1.18</u>
15	Unsecured Loan Taken	Sh. Hemant Jain	Managing Director	1,715.50	529.00
				<u>1,715.50</u>	<u>529.00</u>
16	Unsecured Loan Repaid	Sh. Hemant Jain	Managing Director	1,102.50	344.50
				<u>1,102.50</u>	<u>344.50</u>



*S. Hemant Jain*

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**Note 43.** Disclosures in respect of Indian Accounting Standard (Ind AS-24) 'Related Party Disclosures' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule 2014 (as amended):

				(Rupees in Lakhs)	
S.No.	Nature of Transaction	Name of Related Parties	Relationship	31st March, 2019	31st March, 2018
b) Outstanding Balance as at 31st March 2019					
1	Unsecured Loans Taken	Sh. Hemant Jain	Managing Director	891.21	203.94
				891.21	203.94
2	Trade Payables	KLJ Plasticizers Limited.	Group Concern	1,155.67	4.19
		D M Realty Developers Pvt. Ltd.	Group Concern	2.17	-
		KLJ Organic Qatar WLL	Group Concern	286.87	-
		KLJ Organic Ltd.	Group Concern	301.88	193.89
		Inspiration Dealers Pvt. Ltd.	Group Concern	-	1.62
		KLJ Polymers & Chemicals Ltd.	Group Concern	-	12.54
				1,739.39	212.24
3	Trade Receivables	KLJ Plasticizers Limited.	Group Concern	170.73	319.80
		KLJ Developers Private Limited	Group Concern	7.43	6.80
		KLJ Organic Ltd.	Group Concern	1,521.34	424.23
				1,699.50	748.83
4	Rent Payable	KLJ Plasticizers Limited.	Group Concern	-	1.08
		KLJ Polymers & Chemicals Ltd.	Group Concern	-	1.33
				-	2.41
5	Remuneration (Key Managerial Personnel)	Sh. Hemant Jain	Managing Director	961.92	731.92
		Sh. Praveen Sharma	Company Secretary	1.31	5.82
		Sh. Suresh Chand Jethwa	Chief Financial Officer	2.50	1.81
		Sh. Ajai Kumar Gupta	Company Secretary	0.84	-
		Sh. Hemant Jain Nahata	Chief Financial Officer	-	2.30
		Ms Neetu Jain	Sr. Manager ( Business Development)	3.88	3.45
				970.45	745.30



Note 44. Capital management

(Rupees in Lakhs)

The group manages its capital to ensure that the group will be able to continue as a going concern while maximising the return to stakeholder through optimization of the debt and equity balance. The capital structure of the group comprises of debt and total equity of the group.

Debt Equity Ratio

Particulars	As at 31st March 2019	As at 31st March 2018
Borrowing (Note No. 16 and 19)	16,502.55	16,872.79
Short term debt	16,502.55	16,872.79
Equity (Note No.14)	1,074.00	1,074.00
Other equity (Note No.15)	36,811.91	35,824.86
Total equity	40,886.91	36,898.86
Debt equity Ratio	33/67	35/48

Note 45. Fair Value measurements

(i) Financial Instruments by Category

(Rupees in Lakhs)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investment	749.81	4,682.08	-	4.90	2,009.13	-
Trade Receivables	-	-	27,870.41	-	-	19,825.25
Loans	-	-	5,533.25	-	-	4,141.02
Cash and Cash Equivalents	-	-	1,421.48	-	-	1,209.05
Bank Balances	-	-	3,281.90	-	-	2,312.53
Others	-	-	4,354.86	-	-	3,377.10
Total Financial Assets	749.81	4,682.08	42,441.80	4.90	2,009.13	30,684.86
Financial Liabilities						
Borrowings	-	-	16,502.55	-	-	16,872.79
Trade Payables	-	-	35,899.12	-	-	16,565.81
Others	-	-	206.22	-	-	227.18
Total Financial Liabilities	-	-	62,407.87	-	-	37,665.73

i) The carrying amounts of trade receivables, trade payable, cash and cash equivalents and other short term receivables and payables which are due to be settled within 12 months are considered to the same as their fair values, due to short term nature

ii) Borrowings-Current are evaluated by group on parameters such as interest rates, specific country risk factors and other risk factors. Based on this evaluation the fair value of such payables are not materially different from their carrying amount. As the amount is immaterial, no fair valuation is required.

iii) Non Current Loans given and Security Deposit have been continued at carrying value as measurement implication are immaterial.

iv) All investments other than subsidiary and associates are measured at fair value, with value changes recognized in Statement of Other Comprehensive Income.

(ii) Fair Value hierarchy

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Input for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents the fair value measurement hierarchy of financial assets and liabilities measured at Fair value and amortised cost:-

As at 31-03-2019

(Rupees in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Assets at Fair Value through OCI				
Investment		2,705.87	-	2,705.87
Financial Assets at Amortised Cost				
Trade Receivables		-	27,870.41	27,870.41
Loans		-	5,533.25	5,533.25
Cash and Cash Equivalents		-	1,421.48	1,421.48
Bank Balances		-	3,281.90	3,281.90
Others		-	4,354.86	4,354.86
	2,728.82	2,705.87	42,441.80	47,873.29

As at 31-03-2018

(Rupees in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Financial Liabilities at Amortised Cost				
Borrowings		-	16,502.55	16,502.55
Trade Payables		-	35,899.12	35,899.12
Other		-	206.22	206.22
	-	-	62,407.87	62,407.87

As at 31-03-2018

(Rupees in Lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at Fair Value through OCI				
Investment	218.82	1,785.10	-	2,014.02
Financial Assets at Amortised Cost				
Trade Receivables		-	19,825.25	19,825.25
Loans		-	4,141.02	4,141.02
Cash and Cash Equivalents		-	1,209.05	1,209.05
Bank Balances		-	2,312.53	2,312.53
Others		-	3,377.10	3,377.10
	218.82	1,785.10	30,684.86	32,678.98



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As at 31-03-2018

Particulars	(Rupees in Lakhs)			
	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Financial Liabilities at Amortized Cost				
Borrowings	-	-	18,872.79	18,872.79
Trade Payables	-	-	16,565.81	16,565.81
Other	-	-	227.13	227.13
	-	-	37,665.73	37,665.73

(iii) Valuation technique used to determine fair value

- Quoted investments have been valued based on market price quotation.
- Investment in Mutual Funds have been valued as per NAV declared on the balance sheet date.
- Investments in unquoted equity instruments are not held for trading. They are held for long term strategic purpose. The Group has chosen to designate these investments at FVOCI, since it provides a more meaningful presentation.
- The carrying amount of other financial assets and liabilities are considered to be the same as their fair values.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the group could have realized or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iv) Financial risk management

The group's principal financial liabilities comprise of Borrowings, Trade Payables and others. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include Trade Receivables, Loans, cash and cash equivalents and other bank balances that derive directly from its operations.

The group is expose to market risk, credit risk and liquidity risk. The group financial risk activities are governed by appropriated policies and procedures and the financial risk are identified, measured and managed in accordance with the companies policies and risk objectives. The board of directors reviews and agrees policies for managing each of these risk, which are summarised below:-

a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market prices. Market risk comprises interest rate risk and foreign currency risk.

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of change in market interest rate. Group's is not exposed to significant interest rate risk as all the financial instruments which are subject to interest risk are due to be settled within 12 months and carry fixed rate of interest.

ii) Foreign Currency Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee

The following table shows foreign currency exposures in US Dollar, Euro, AED on financial instruments at the end of the reporting period. The exposure to all other foreign currencies are not material.

Particulars	Foreign Currency Exposure (Amount in Lakhs)				
	As at 31st March, 2018			As at 31st March, 2017	
	EUR	USD	AED	USD	AED
Borrowings	-	156.37	-	165.08	-
Trade Payables	5.80	277.62	718.53	271.32	-
<b>Total</b>	<b>5.80</b>	<b>433.99</b>	<b>718.53</b>	<b>436.40</b>	<b>-</b>

b) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the group. Where loans or receivables have been written off, the group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss

The Group has used a practical expedient by way of computing the expected credit loss for trade receivables based on provision matrix. The matrix also takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and rates as given in the provision matrix

The provision matrix at the year end is as follows

Particulars	Expected Credit loss (Percentage)	
	FY 18-19	FY 17-18
Ageing		
1- 30 days	0.00%	0.00%
30 days to 12 months	0.26%	0.26%
More than 12 months	1.09%	2.32%

(Rupees in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Expected Credit loss	Provision	Expected Credit loss	Provision
1- 30 days	24,209.36	-	17,565.81	-
30 days to 12 months	3,221.78	8.00	1,760.74	5.00
More than 12 months	4.22	-	49.90	1.00

Provision for expected credit loss made in accordance with Ind AS 109 due to which there is change in Trade Receivable

In Case of Foreign Subsidiary

In determining the recoverability of trade receivables, the group considers any change in the credit quality of the trade receivable from the date the credit was initially granted upto the date of adoption of the accounts. Management has taken the current market conditions and payment received subsequent to the reporting date when assessing the credit quality of trade receivables. Accordingly, taking all of the above into account, no provision is required on account of doubtful trade receivables.

Other Financial Assets

Group makes loans and advances out of its surplus funds to Corporates. In the past 5 years there is only incidence where Bad Debts have been written off. The Writeoff happened in FY 17-18 and Group is of the view that this is one of incident and management is of view that bad debts are not bound to reoccur again. Accordingly there is no need to create a Expected Credit loss provision for such Financial Assets.

Financial Instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the companies policy. Investment of surplus are made only with approved with counterparty on the basis of the financial quotes received from the counterparty.



*S. Srinivasan*

**c) Liquidity risk**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they become due. The group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the group's reputation. The group's principal sources of liquidity are cash and cash equivalents, cash flow that is generated from operations and the borrowings from Directors and Banks. The group believes that the working capital is sufficient to meet its current requirements. Any short term surplus cash generated, over and above the amount require for working capital management and operational requirements, are given as interest bearing loans repayable on demand.

As at 31st March 2019 the group had working capital of Rs. 30,382.08 Lakhs including cash and bank Balances of Rs.4,683.38 Lakhs.

As at 31st March 2018 the group had working capital of Rs. 31,315.41 Lakhs including cash and bank Balances of Rs. 3,521.58 Lakhs.

**Note 46. Key sources of estimation uncertainty**

The followings are the key assumptions concerning the future, and the key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities with next financial year:

**a) Fair valuation measurement and valuation process**

Financial Instruments are measured initially at fair value and subsequently at amortised cost on the basis of materiality.

**b) Taxes**

Deferred tax assets are recognized for unused tax losses and unabsorbed depreciation to the extent that it is probable that taxable profit will be available against which losses can be utilised. Significant management judgment is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profit together with future tax planning strategies.

**Note 47 Segment Reporting**

As the Group's Business activity falls within a single primary operating segment of 'petrochemicals and solvents', the disclosure requirement of Indian Accounting Standard (Ind AS) 102 on 'Operating Segments', is not applicable.

**Note 48 Income Tax Expense**

Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

(Rupees in Lakhs)

	Year ended 31st March, 2019	Year ended 31st March, 2018
Enacted income tax rate in India applicable to the Company	34.044%	34.808%
Profit before tax	<u>5,500.16</u>	<u>8,061.79</u>
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	<u>1,953.43</u>	<u>3,136.10</u>
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowances	90.50	113.99
Deduction under section 24 of the Income Tax Act	(47.27)	(47.70)
Interest Income from Joint Venture on liability element of compound financial instrument	-	-
Tax in respect of earlier years	(17.06)	(3.93)
Adjustment of Subsidiaries	44.47	(146.18)
Differential tax rate on capital gains	0.63	-
Other items	(23.47)	17.97
<b>Total income tax expense/(credit)</b>	<b>2,001.24</b>	<b>3,076.22</b>

Consequent to reconciliation items shown above, the effective tax rate is 36.80% (2017-18: 33.88%)



Note 49 Additional Information:

a) The list of subsidiaries and associates included in consolidation are mentioned below:

Name of the Entity	Country of Incorporation	Proportion of Ownership Interest 31st March, 2019	Proportion of Ownership Interest 31st March, 2018
Brokenhills Townships and Resorts Pvt. Ltd. (Subsidiary)	India	100%	100%
Springdale Townships and Resorts Pvt. Ltd. (Subsidiary)	India	100%	100%
Atamorts Townships and Resorts Pvt. Ltd. (Subsidiary)	India	100%	100%
Valley View Townships Pvt. Ltd. (Subsidiary)	India	100%	100%
KLJ Resources DMCC (Foreign Subsidiary)	Dubai (UAE)	100%	100%
KLJ Resources PTE Ltd. (Subsidiary of KLJ Resources DMCC)	Singapore	100%	0%
KLJ Organic (Thailand) Limited. (Associate of KLJ Resources DMCC)	Thailand	27.84%	0%
Badhok Real Estate Private Limited (Subsidiary)	India	100%	100%
AK Buildtech Private Limited (Subsidiary)	India	100%	100%
Hemlog Plastic Goods Pvt. Ltd. (Associate)	India	24%	24%

b) Additional Information (as required by Sch-III of the Companies Act, 2013):

Name of Company	Net Assets i.e. Total Assets Minus Total Liabilities		Share In Profit or (Loss)		Share In Other Comprehensive Income		Share In Total Comprehensive Income	
	As % of Consolidated Net Assets	Rupees in Lakhs	As % of Consolidated Profit & Loss	Rupees in Lakhs	As % of Consolidated Other Comprehensive Income	Rupees in Lakhs	As % of Consolidated Total Comprehensive Income	Rupees in Lakhs
KLJ Resources Ltd. (Parent Co.)	94.61%	26,642.84	103.53%	3,715.47	72.02%	209.30	101.17%	3,924.77
Brokenhills Townships and Resorts Pvt. Ltd. (Indian subsidiary)	-0.01%	-5.54	-0.01%	-0.24	0.00%	0.00	-0.01%	-0.24
Springdale Townships and Resorts Pvt. Ltd. (Indian subsidiary)	-0.01%	-6.17	-0.01%	-0.25	0.00%	0.00	-0.01%	-0.25
Atamorts Townships and Resorts Pvt. Ltd. (Indian subsidiary)	-0.01%	-5.21	-0.01%	-0.26	0.00%	0.00	-0.01%	-0.26
Valley View Townships Pvt. Ltd. (Indian subsidiary)	-0.02%	-5.52	-0.01%	-0.24	0.00%	0.00	-0.01%	-0.24
KLJ Resources DMCC (Foreign subsidiary) *	5.03%	2,464.73	3.14%	112.01	27.96%	61.30	5.00%	193.91
Badhok Real Estate Private Limited (Indian subsidiary)	-0.17%	-70.07	-2.23%	-80.02	0.00%	0.00	-2.06%	-80.02
AK Buildtech Private Limited (Indian subsidiary)	-0.32%	-130.80	-4.41%	-158.11	0.00%	0.00	-4.06%	-158.11
Hemlog Plastic Goods Pvt. Ltd. (Associate)	0.01%	2.25	0.00%	-0.02	0.00%	0.00	0.00%	-0.02
<b>TOTAL</b>	<b>100.00%</b>	<b>40,885.91</b>	<b>100.00%</b>	<b>3,588.92</b>	<b>100.00%</b>	<b>290.50</b>	<b>100.00%</b>	<b>3,579.52</b>

\* Including KLJ Resources PTE Ltd. Foreign subsidiary of KLJ Resources DMCC and KLJ Organic (Thailand) Limited Associate of KLJ Resources DMCC.

Note 50. Disclosure pursuant to section 186(4) of the Companies Act, 2013:

Nature of the transaction (loans given/investment made/guarantee given/security provided) & Purpose	(Rupees in Lakhs)	
	As at 31st March, 2019	As at 31st March, 2018
(A) Loan and Advances: (Given for Business purpose)		
(i) Advance Chemicals		16.30
(ii) Bhadani Finances Pvt. Ltd.	4,947.34	3,547.70
(iii) Farloom Equipments (India) Pvt. Ltd.	60.00	55.00
(iv) Headstart International Pvt. Ltd.	126.16	110.28
(v) Luxor Writing Instrument Pvt. Ltd.	200.00	200.00
(vi) Manaberie Tea Co Limited	206.75	206.75
Total	5,530.25	4,138.02
(B) Guarantees: (Given for Subsidiary's debt)		
KLJ Resources DMCC	6,817.13	6,504.41
(C) Investments made are disclosed under Note 3		



*Smita Chandra*



**Note 51.** The previous years figures have been regrouped and reclassified, to the extent necessary, to conform to the current years figures.

**Note 52. Approval of financial statement**

The financial statements were approved for issue by the Board of Directors on 29th May 2019

The accompanying notes to the consolidated financial statements

As per our report of even date  
For Kumar Chopra & Associates  
Chartered Accountants  
Firm Registration No. 000131N

*R.K. Aggarwal*  
R.K. Aggarwal  
Partner  
M.No. 081510  
New Delhi, 29th May



*Hemant Jain*  
Hemant Jain  
Managing Director  
Din:00506995

*Suresh Chand Jaitheer*  
Suresh Chand Jaitheer  
Chief Financial Officer

For & on behalf of the Board of Directors

*Dilip Kumar Kam*  
Dilip Kumar Kam  
Director  
Din:00061804

*Ajai Kumar Gupta*  
Ajai Kumar Gupta  
Company Secretary

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries and associate  
for the financial year 2018-19

**Part "A": Subsidiaries**

(Rupees in Lakh)

<i>Sl. No.</i>	<i>1 (Figures in Rs.)</i>	<i>2 (Figures in Rs.)</i>	<i>3 (Figures in Rs.)</i>	<i>4 (Figures in Rs.)</i>	<i>5 (Figures in AED)</i>	<i>6 (Figures in Rs.)</i>	<i>7 (Figures in Rs.)</i>
<i>Name of the subsidiary</i>	Altamonte Townships and Resorts Pvt. Ltd.	Brokenhills Townships and Resorts Pvt. Ltd.	Springdale Townships and Resorts Pvt. Ltd.	Valley View Townships Pvt. Ltd.	KLJ Resources DMCC	AK Buildtech Pvt. Ltd.	Sadhok Real Estate Pvt. Ltd.
<i>The date since when subsidiary was acquired</i>	25.08.2014	25.08.2014	25.08.2014	25.08.2014	14.05.2014	28.02.2018	03.07.2017
<i>Reporting period for the subsidiary concerned, if different from the holding Company's reporting period</i>	Same Reporting Period	Same Reporting Period	Same Reporting Period	Same Reporting Period	Same Reporting Period	Same Reporting Period	Same Reporting Period
<i>Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries</i>	INR	INR	INR	INR	Dirham 1 AED =18.8349	INR	INR
<i>Share capital</i>	113.00	161.00	109.00	201.00	36.70	1.00	1.00
<i>Reserves &amp; surplus</i>	(5.21)	(5.54)	(5.17)	(6.52)	127.15	35.41	(62.98)
<i>Total assets</i>	108.39	156.17	104.41	195.28	274.21	1772.72	2412.71
<i>Total Liabilities</i>	108.39	156.17	104.41	195.28	274.21	1772.72	2412.71
<i>Investments</i>	NIL	NIL	NIL	NIL	45.06	NIL	NIL
<i>Turnover</i>	NIL	NIL	NIL	NIL	355.25	NIL	NIL
<i>Profit before taxation</i>	(0.26)	(0.24)	(0.25)	(0.24)	3.64	(0.26)	(80.87)
<i>Provision for taxation</i>	NIL	NIL	NIL	NIL	NIL	0.13	(0.85)
<i>Profit after taxation</i>	(0.26)	(0.24)	(0.25)	(0.24)	3.64	(0.39)	(80.02)
<i>Proposed Dividend</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>% of shareholding of holding Company</i>	100%	100%	100%	100%	100%	100%	100%

**Notes:**

1. The reporting period for the Company as well as its all subsidiaries is 31<sup>st</sup> March, 2019.
2. AED stands for United Arab Emirates Dirham. The value of 1AED as on 31<sup>st</sup> March, 2019 is Rs. 18.8349.

**Part "B": Associate and Joint Venture**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

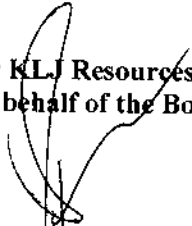
(Rupees in Lakh)


Name of associate/Joint Venture	Hamlog Plastic Goods Private Limited	
1. Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2019	
2. Date on which the Associate or Joint Venture was associated or Acquired	12 <sup>th</sup> March, 1998	
3. Shares of Associate/Joint Ventures held by the Company on the year end	No. of equity shares	16235
	Amount of Investment in Associates/ Joint Venture	2.64
	Extend of Holding %	24%
4. Description of how there is significant influence	Control of more than 20% of total voting power	
5. Reason why the associate/joint venture is not consolidated	Not applicable, as the consolidation is done.	
6. Net worth attributable to shareholding as per latest audited Balance Sheet	5.34	
7. Profit/(Loss) for the year	Considered in Consolidation	(0.02)
	Not Considered in Consolidation	(0.06)

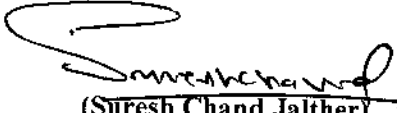
**Notes:**


1. The reporting period for the Associate is 31<sup>st</sup> March, 2019.
2. The Company does not have a Joint Venture as on 31<sup>st</sup> March, 2019.

**For KLJ Resources Limited**  
On behalf of the Board

  
**(Hemant Jain)**  
Managing Director  
DIN: 00306995

  
**(Dilip Kumar Karn)**  
Director  
DIN: 00061804

  
**(Suresh Chand Jalther)**  
Chief Financial Officer  
PAN: AAUPJ2690R

  
**(Ajai Kumar Gupta)**  
Company Secretary  
Membership No.: FCS 8020

Date: 29<sup>th</sup> May, 2019  
Place: New Delhi