



## ***Independent Auditor's Report***

To the Members of **KKSPUN INDIA LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### Opinion

We have audited the financial statements of **KKSPUN INDIA LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its profit/loss and its cash flows for the year ended on that date.

#### 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

#### Information other than the financial statements and auditors' report thereon

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

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

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

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



## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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.
2. 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.



- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place:-New Delhi  
Date: 10/10/2020  
UDIN: 20523802AAAABH8508



For SAKSHI & ASSOCIATES  
Chartered Accountants  
FRN: 025099N

  
SAKSHI KHARABANDA  
Membership No.523802



**The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".**

We report that:

- i.
  - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. The According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The company has not accepted any deposits from the public covered under sections 73 to 76 of the Companies Act, 2013.
- vi. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vii.
  - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2020 for a period of more than six months from the date they became payable.



- b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year.
- x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. The company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place:-New Delhi  
Date: 10/10/2020



For SAKSHI & ASSOCIATES  
Chartered Accountants  
FRN: 025099N

A handwritten signature in blue ink, appearing to read "Sakshi Kharabanda".

SAKSHI KHARABANDA  
Membership No.523802



## ***Report on Internal Financial Controls with reference to financial statements***

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 **KKSPUN INDIA LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 authorisations 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place:-New Delhi  
Date: 10/10/2020



For SAKSHI & ASSOCIATES  
Chartered Accountants  
FRN: 025099N

A handwritten signature in blue ink, appearing to read 'Sakshi Kharabanda'.

SAKSHI KHARABANDA  
Membership No.523802



**KKSPUN INDIA LIMITED**  
**CIN:U29199DL2006PLC144590**  
**Balance Sheet as at 31st March, 2020**

|  | Note No.    | As at<br>31/03/2020   | As at<br>31/03/2019   |
|--|-------------|-----------------------|-----------------------|
| <b><u>EQUITY AND LIABILITIES</u></b>     |             |                       |                       |
| <b>Shareholders' Funds</b>               |             |                       |                       |
| Share Capital                            | '1'         | 12,04,08,820          | 12,04,08,820          |
| Reserves and Surplus                     | '2'         | 1,62,05,05,120        | 1,41,15,85,014        |
|  |             | <b>1,74,09,13,940</b> | <b>1,53,19,93,834</b> |
| <b>Non-Current Liabilities</b>           |             |                       |                       |
| Long-term Borrowings                     | '3'         | 86,46,40,389          | 37,39,87,549          |
| Deferred Tax Liabilities (Net)           | '4'         | 1,58,70,246           | 95,36,850             |
| Other Long-term Liabilities              | '5'         | 44,59,73,445          | 37,94,35,303          |
| Long-term Provisions                     | '6'         | 94,49,173             | -                     |
|  |             | <b>1,33,59,33,254</b> | <b>76,29,59,703</b>   |
| <b>Current Liabilities</b>               |             |                       |                       |
| Short-term Borrowings                    | '7'         | 71,38,11,693          | 65,65,68,739          |
| Trade Payables                           | '8'         | 1,30,73,63,455        | 75,57,92,232          |
| Other Current Liabilities                | '9'         | 74,72,14,933          | 99,22,22,567          |
| Short-term Provisions                    | '10'        | 11,50,00,000          | 16,01,11,714          |
|  |             | <b>2,88,33,90,081</b> | <b>2,56,46,95,250</b> |
|  |             | <b>5,96,02,37,275</b> | <b>4,85,96,48,787</b> |
| <b><u>ASSETS</u></b>                     |             |                       |                       |
| <b>Non-Current Assets</b>                |             |                       |                       |
| <b>Fixed Assets</b>                      |             |                       |                       |
| Tangible Assets                          | '11'        | 1,16,52,03,916        | 93,84,60,517          |
| Capital Work in-Progress                 | '12'        | -                     | 22,23,750             |
| Investment                               | '13'        | 16,95,51,180          | 5,50,00,000           |
| Long-term Loans and Advances             | '14'        | 1,76,29,637           | 1,71,17,931           |
|  |             | <b>1,35,23,84,733</b> | <b>1,01,28,02,198</b> |
| <b>Current Assets</b>                    |             |                       |                       |
| Inventories                              | '15'        | 1,37,09,06,846        | 79,56,97,664          |
| Trade Receivables                        | '16'        | 1,19,80,40,787        | 95,75,29,921          |
| Cash and Bank Balances                   | '17'        | 59,22,45,075          | 74,61,09,542          |
| Short-term Loans and Advances            | '18'        | 91,41,94,748          | 81,50,44,376          |
| Retention Site Work in Progress          | '19'        | 53,24,65,087          | 53,24,65,087          |
|  |             | <b>4,60,78,52,543</b> | <b>3,84,68,46,590</b> |
|  |             | <b>5,96,02,37,275</b> | <b>4,85,96,48,787</b> |
| <b>Notes to the Financial Statements</b> | <b>'31'</b> |                       |                       |

**For SAKSHI & ASSOCIATES**

Chartered Accountants

FRN: 025099N

*Sakshi Kharabanda*

CA Sakshi Kharabanda  
M No. 523802  
UDIN : 20523802AAAAHB8508

Place : New Delhi

Dated : 10-10-2020

**For and on Behalf of the Board of Directors**

*Himanshu Gupta*  
Himanshu Gupta  
Managing Director  
DIN: 00822757

*Kavish Gupta*  
Kavish Gupta  
Director  
DIN: 02953533

*Surjeet Srivastwa*  
Surjeet Srivastwa  
Company Secretary  
ACS:33655



**KKSPUN INDIA LIMITED**  
**CIN:U29199DL2006PLC144590**

**Statement of Profit and Loss for the year ended 31st March,2020**

|   | Note No. | For the Year<br>2019-20 | For the Year<br>2018-19 |
|---|----------|-------------------------|-------------------------|
| <b>REVENUES</b>   |          |                         |                         |
| Gross Revenue from Operations                                     | '20'     | 5,99,56,17,675          | 4,31,63,10,162          |
| Other Income  | '21'     | 3,50,34,152             | 2,58,88,510             |
| <b>Total Revenues</b>   |          | <b>6,03,06,51,827</b>   | <b>4,34,21,98,673</b>   |
| <b>EXPENSES</b>   |          |                         |                         |
| Cost of Materials Consumed  | '22'     | 4,68,22,72,251          | 2,88,80,61,035          |
| Changes in Inventories  | '23'     | (48,11,46,676)          | (16,46,92,498)          |
| Employee Benefits Expenses  | '24'     | 23,89,40,178            | 24,76,68,917            |
| Other Manufacturing Expenses                                      | '25'     | 41,40,46,153            | 36,04,72,331            |
| Finance Costs   | '26'     | 44,05,92,163            | 29,03,72,539            |
| Depreciation and Amortization                                     | '27'     | 17,02,65,998            | 17,24,07,612            |
| Other Expenses  | '28'     | 23,54,28,258            | 24,35,96,371            |
| <b>Total Expenses</b>   |          | <b>5,70,03,98,325</b>   | <b>4,03,78,86,306</b>   |
| Profit/ (Loss) before Exceptional and Extraordinary items and Tax |          | 33,02,53,502            | 30,43,12,367            |
| Exceptional Items   |          | -                       | -                       |
| Profit/ (Loss) before Extraordinary items and Tax                 |          | 33,02,53,502            | 30,43,12,366.60         |
| Extraordinary Items   |          | -                       | -                       |
| Profit before Tax   |          | 33,02,53,502            | 30,43,12,367            |
| Tax Expenses:   | '29'     |                         |                         |
| Current Tax   |          | 11,50,00,000            | 11,64,00,000            |
| Deferred Tax  |          | 63,33,396               | (1,07,29,833)           |
| <b>Profit/ (Loss) for the period</b>                              |          | <b>20,89,20,106</b>     | <b>19,86,42,200</b>     |
| <b>Earnings per Equity Share:</b>                                 |          |                         |                         |
| Basic (')   | '30'     | 17.35                   | 16.28                   |
| Diluted (')   |          | -                       | -                       |

**Notes to the Financial Statements**

'31'

**For SAKSHI & ASSOCIATES**

Chartered Accountants

FRN: 025099N

*Sakshi Kharabanda*  
CA Sakshi Kharabanda  
M No. 523802  
UDIN : 20523802AAAABH8508

Place : New Delhi

Dated : 10-10-2020

**For and on Behalf of the Board of Directors**

*Himanshu Gupta*  
Himanshu Gupta  
Managing Director  
DIN: 00822757

*Kavish Gupta*  
Kavish Gupta  
Director  
DIN: 02953533

*Surjeet Srivastwa*  
Surjeet Srivastwa  
Company Secretary  
ACS:33655





**KKSPUN INDIA LIMITED**  
**CIN:U29199DL2006PLC144590**

**Cash Flow Statement for the year ended 31st March, 2020**

|  | Year ended<br>31/03/2020 | Year ended<br>31/03/2019 |
|--|--------------------------|--------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                |                          |                          |
| Profit After Tax and Dividend                                | 20,89,20,106             | 19,86,42,200             |
| Adjustment for :   |                          |                          |
| Finance Costs  | 44,05,92,163             | 29,03,72,539             |
| Interest Income  | (3,47,55,440)            | (2,54,19,566)            |
| Depreciation and Amortization Expenses                       | 17,02,65,998             | 17,24,07,612             |
| Provisions for deferred tax                                  | 63,33,396                | (1,07,29,833)            |
|  | <b>79,13,56,223</b>      | <b>62,52,72,951</b>      |
| Operating profit before working capital changes              |                          |                          |
| Changes in working Capital:                                  |                          |                          |
| Inventories  | 57,52,09,182             | 20,82,13,581             |
| Trade and other Receivables                                  | 34,01,72,944             | 4,59,06,353              |
| Short Term Provision   | (4,51,11,714)            | 5,14,11,714              |
| Long-term Provisions   | 94,49,173                | -                        |
| Trade and other Payables                                     | 30,65,63,590             | 31,44,61,801             |
| Cash generation from Operation                               | <b>14,68,75,146</b>      | <b>73,70,26,532</b>      |
| Payment of Direct Taxes                                      |                          |                          |
| <b>Net Cash generated/ (used) - Operating Activities</b>     | <b>14,68,75,146</b>      | <b>73,70,26,532</b>      |
| <b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>               |                          |                          |
| Purchase of Fixed Assets                                     | 39,70,09,398             | 4,52,72,793              |
| Sale of Fixed Assets   | -                        | 12,66,790                |
| Expenditure on Capital Work in Progress                      | (22,23,750)              | 22,23,750                |
| Investment in subsidiaries/Group Companies                   | 11,45,51,180             | -                        |
| Interest Received  | 3,47,55,440              | 2,54,19,566              |
| <b>Net Cash Generated/ (Used) - Investing Activities</b>     | <b>(47,45,81,388)</b>    | <b>(2,08,10,187)</b>     |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                |                          |                          |
| Proceeds from issue of Shares (Net of Expenses)              | -                        | -                        |
| Proceeds from Share Application Money                        | -                        | -                        |
| Proceeds from Long-term Borrowings (Net)                     | 55,71,90,982             | 8,10,48,849              |
| Proceeds/ Repayment of Short-term Borrowings (Net)           | 5,72,42,955              | (2,40,92,035)            |
| Finance Cost Paid  | 44,05,92,163             | 29,03,72,539             |
| <b>Net Cash Generated/ (Used) - Financing Activities</b>     | <b>17,38,41,774</b>      | <b>(23,34,15,725)</b>    |
| <b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b> | <b>(15,38,64,468)</b>    | <b>48,28,00,619</b>      |
| Add : Opening Cash and Cash Equivalents                      | 74,61,09,542             | 26,33,08,922             |
| <b>Closing Cash and Cash Equivalents</b>                     | <b>59,22,45,075</b>      | <b>74,61,09,543</b>      |

**Notes:**

- The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash flow Statement" as specified by ICAI.
- Previous Year Figures have been regrouped/ rearranged wherever necessary to make them comparable.

**For SAKSHI & ASSOCIATES**

Chartered Accountants  
FRN: 025099N

CA Sakshi Kharabanda  
M No. 523802  
UDIN : 20523802AAAAABH8508

Place : New Delhi  
Dated : 10-10-2020

**For and on Behalf of the Board of Directors**

Himanshu Gupta  
Managing Director  
DIN: 00822757

Kavish Gupta  
Director  
DIN: 02953533

Surjeet Srivastwa  
Company Secretary  
ACS:33655



**KKSPUN INDIA LIMITED**  
**CIN:U29199DL2006PLC144590**  
**Notes to the Financial Statements**

**1 Share Capital:**

**A. Authorized, Issued, Subscribed and Paid-up Share Capital**

As at

|   | 31/03/2020   | 31/03/2019   |
|---|--------------|--------------|
| <b>Authorized:</b>  |              |              |
| 5,00,00,000* (Previous year '5,00,00,000) Equity Shares of ` 10 each.               | 50,00,00,000 | 50,00,00,000 |
|   | 50,00,00,000 | 50,00,00,000 |
| <b>Issued :</b>   |              |              |
| 1,20,40,882* (Previous year '1,20,40,882) Equity Shares of ` 10 each. (a)           | 12,04,08,820 | 12,04,08,820 |
|   | 12,04,08,820 | 12,04,08,820 |
| <b>Subscribed and Paid-up:</b>  |              |              |
| 1,20,40,882* (Previous year '1,20,40,882) Equity Shares of ` 10 each Fully Paid up. | 12,04,08,820 | 12,04,08,820 |
|   | 12,04,08,820 | 12,04,08,820 |

(a). Issued Equity Share Capital does not include share kept in abeyance due to legal case pending.

**B. Reconciliation of Shares outstanding at the beginning and at the end of year are given below:**

|   | 2019-20     |              | 2018-19     |              |
|---|-------------|--------------|-------------|--------------|
|   | Numbers     | Amount       | Numbers     | Amount       |
| Equity Shares outstanding at the beginning of the year    | 1,20,40,882 | 12,04,08,820 | 1,20,40,882 | 12,04,08,820 |
| Add: Equity Shares Issued during the year - (a)           | -           | -            | -           | -            |
| Less: Equity Shares bought back/ redeemed during the year | -           | -            | -           | -            |
| Equity Shares outstanding at the end of the year          | 1,20,40,882 | 12,04,08,820 | 1,20,40,882 | 12,04,08,820 |

**C. Detail of shareholder holding more than 5 percent shares of the Company as on reporting date are given below:**

| Name of shareholder | As at 31/03/2020       |                       | As at 31/03/2019       |                       |
|---------------------|------------------------|-----------------------|------------------------|-----------------------|
|                     | Numbers of Shares held | Percentage of Holding | Numbers of Shares held | Percentage of Holding |
| Parmod Kumar Gupta  | -                      | -                     | 73,43,755              | 60.99                 |
| Himanshu Gupta      | 61,77,810.00           | 51.31                 | 25,05,933              | 20.81                 |
| Kaviesh Gupta       | 55,58,423.00           | 46.16                 | 18,86,545              | 15.67                 |

The company has only one class of equity shares having par value Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

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. The distribution will be in proportion to the number of equity shares held by the shareholders. Mr Pramod Kumar Gupta died on 19-01-2020. He was holding 73,43,755 which was

**2 Reserves and Surplus:**

Reserves and Surplus consist of the following:

Securities Premium Account

Surplus i.e. balance in Statement of Profit and Loss - (b)

|  | As at<br>31/03/2020 | As at<br>31/03/2019 |
|--|---------------------|---------------------|
| Securities Premium Account                                 | 38,85,48,356        | 38,85,48,356        |
| Surplus i.e. balance in Statement of Profit and Loss - (b) | 1,23,19,56,764      | 1,02,30,36,658      |
|  | 1,62,05,05,120      | 1,41,15,85,014      |

(a). Additions and deductions since the last Balance Sheet under each head of Reserve are as under:

|                            | As at<br>31/03/2020 | As at<br>31/03/2019 |
|----------------------------|---------------------|---------------------|
| Securities Premium Account | 38,85,48,356        | 38,85,48,356        |
|                            | 38,85,48,356        | 38,85,48,356        |

(b). Allocations and appropriations in Surplus i.e. balance in Statement of Profit and Loss are as under:

|  | As at<br>31/03/2020 | As at<br>31/03/2019 |
|--|---------------------|---------------------|
| Opening Balance  | 1,02,30,36,658      | 82,43,94,459        |
| Add: Profit for the period                                 | 20,89,20,106        | 19,86,42,200        |
|  | 1,23,19,56,764      | 1,02,30,36,658      |
| Less: Adjustment for depreciation as per new companies Act | -                   | -                   |
| Closing Balance  | 1,23,19,56,764      | 1,02,30,36,658      |





**KKSPUN INDIA LIMITED**  
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**Notes to the Financial Statements**

**3 Long-term Borrowings**

**Secured**

**Term Loans:**

From Banks

From Financial Institution

| As at               |                     |
|---------------------|---------------------|
| 31/03/2020          | 31/03/2019          |
| 80,42,69,251        | 31,66,60,311        |
| 6,03,71,139         | 5,73,27,239         |
| <b>86,46,40,389</b> | <b>37,39,87,549</b> |

a) Term loan with State Bank of India amounting Rs. 0.31 Lac is against the hypothecation of vehicle. Next Year repayment is Rs. 0.31 Lac and the loan will closed on September 2020

Term loan with HDFC Bank amounting Rs. 10.44 Crore is against the hypothecation of plant and machinery. Next Year repayment is Rs. 5.87 Crore and the loan will closed on November 2021

Term loan with HDFC Bank amounting Rs.1.18 Crore is against the hypothecation of vehicle. Next Year repayment is Rs. 73.90 Lacs and the loan will closed on May-2023

Term loan with ICICI Bank amounting Rs. 14.88 Crore is against the hypothecation of Vehicles and plant and machinery. Next Year repayment is Rs. 1.26 Crore and the loan will closed on July 2023

Term loan with Indusind Bank amounting Rs. 2.95 Lacs is against the hypothecation of plant and machinery. Next Year repayment is Rs. 2.95 Crore and the loan will closed on September 2020

Term loan with Indusind Bank amounting Rs. 49.80 Lacs is against the hypothecation of plant and machinery. Next Year repayment is Rs. 6.07 Lacs and the loan will closed on April-2023

Term loan with Indusind Bank amounting Rs. 53.86 Crore is against the hypothecation of plant and machinery. Next Year repayment is Rs. 2.30 Crore and the loan will closed on September 2025

Term loan with Axis Bank amounting Rs. 9.09 Crore is against the hypothecation of plant and machinery. Next Year repayment is Rs. 1.15 Crore and the loan will closed on May-2024

Term loan with Sundram Finance amounting Rs. 33.34 Lacs is against the hypothecation of plant and machinery. Next Year repayment is Rs. 5.40 Lacs and the loan will closed on April-2023

Term loan with Yes Bank amounting Rs. 5.06 Crore is against the hypothecation of plant and machinery. Next Year repayment is Rs. 2.83 Crore and the loan will closed on June 2024

Term loan with Hero fincorp Ltd. amounting Rs. 4.24 Crore is against the hypothecation of plant and machinery. Next Year repayment is Rs. 16.79 Lacs and the loan will closed on November 2024

Term loan with Kotak Mahindra Prime amounting Rs. 66.61 Lacs is against the hypothecation of vehicle. Next Year repayment is Rs. 11.36 Lacs and the loan will closed on October 2022

Term loan with SREI Equipment Finance amounting Rs. 1.21 Crore is against the hypothecation of plant and machinery. Next Year repayment is Rs. 1.15 Crore and the loan will closed on June 2021

Term loan with Siemens Finance Limited amounting Rs. 1.80 Crore is against the hypothecation of plant and machinery. Next Year repayment is Rs. 73.38 Lacs and the loan will closed on December 2021

b) Period and amount of continuing default as on the balance sheet date in repayment of loans and interest are Nil.

**4 Deferred Tax Liabilities (Net)**

Major components of Deferred Tax arising on account of temporary timing differences are given below:

**Deferred Tax Liabilities**

Depreciation and Amortization Expenses

**Deferred Tax Liabilities (Net)**

| As at              |                  |
|--------------------|------------------|
| 31/03/2020         | 31/03/2019       |
| 1,58,70,246        | 95,36,850        |
| <b>1,58,70,246</b> | <b>95,36,850</b> |

**5 Other Long-term Liabilities**

Other Long-term Liabilities consist of the following:

Other Liabilities

| As at               |                     |
|---------------------|---------------------|
| 31/03/2020          | 31/03/2019          |
| 44,59,73,445        | 37,94,35,303        |
| <b>44,59,73,445</b> | <b>37,94,35,303</b> |

**6 Long-term Provisions**

Other Long-term Liabilities consist of the following:

Provision for Gratuity

Provision for Leave Encashment

| As at            |            |
|------------------|------------|
| 31/03/2020       | 31/03/2019 |
| 75,00,849        | -          |
| 19,48,324        | -          |
| <b>94,49,173</b> | <b>-</b>   |

**7 Short-term Borrowings**

**Secured Loans repayable on demand**

From Banks

| As at               |                     |
|---------------------|---------------------|
| 31/03/2020          | 31/03/2019          |
| 71,38,11,693        | 65,65,68,739        |
| <b>71,38,11,693</b> | <b>65,65,68,739</b> |

Cash Credit facility sanctioned Rs. 40 Crore from State Bank of India, Rs. 2 Crore from IDFC Bank, Rs. 5 Crore from Central Bank of India, Rs. 5 Crore from Bank of India, Rs. 5 Crore from Dena Bank, Rs. 10 Crore from Uco Bank, and Rs. 3 Crore from Indusind Bank (Under consortium with SBI) secured against hypothecation of Stock, book debts and present and future current assets of the company and against the collateral security of Land & Building of the company and personal guarantee of Promoter Directors.



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**8 Trade Payables**

Trade Payables consist of the following:

Payable to Other Entities other than above

Trade payables are net of balances after adjusting advances to vendors

| As at                 |                     |
|-----------------------|---------------------|
| 31/03/2020            | 31/03/2019          |
| 1,30,73,63,455        | 75,57,92,232        |
| <b>1,30,73,63,455</b> | <b>75,57,92,232</b> |

**9 Other Current Liabilities**

Other Current Liabilities consist of the following:

Current maturities of long term debt

Current maturities of Loan/debts

Current maturities of Mobilisation Advance

Interest accrued but not due on borrowings

Advance received against capital receipts

Statutory dues Payables

Other Liabilities

| As at               |                     |
|---------------------|---------------------|
| 31/03/2020          | 31/03/2019          |
| 16,85,64,312        | 28,11,87,478        |
| 8,25,67,975         | -                   |
| 29,73,15,630        | 58,82,41,374        |
| 5,49,102            | -                   |
| 30,00,000           | 30,00,000           |
| 71,60,037           | 2,50,42,598         |
| 18,80,57,877        | 9,47,51,118         |
| <b>74,72,14,933</b> | <b>99,22,22,567</b> |

**10 Short-term Provisions**

Short-term Provisions consist of the following:

Provision for Current Tax

| As at               |                     |
|---------------------|---------------------|
| 31/03/2020          | 31/03/2019          |
| 11,50,00,000        | 16,01,11,714        |
| <b>11,50,00,000</b> | <b>16,01,11,714</b> |

**11 Tangible Assets**

A. Summary of cost and net carrying amount of each class of tangible assets are given below:

|                       | Cost                  |                       | Accumulated Depreciation |                       | Accumulated Impairment |            | Net Carrying Amount   |                     |
|-----------------------|-----------------------|-----------------------|--------------------------|-----------------------|------------------------|------------|-----------------------|---------------------|
|                       | 31/03/2020            | 31/03/2019            | 31/03/2020               | 31/03/2019            | 31/03/2020             | 31/03/2019 | 31/03/2020            | 31/03/2019          |
| Freehold Land         | 19,11,04,231          | 19,11,04,231          | -                        | -                     | -                      | -          | 19,11,04,231          | 19,11,04,231        |
| Buildings             | 15,85,93,865          | 15,85,93,865          | 8,44,56,490              | 7,65,09,048           | -                      | -          | 7,41,37,375           | 8,20,84,817         |
| Plant and Equipmen    | 1,83,45,08,390        | 1,44,94,62,341        | 99,40,64,617             | 85,61,68,477          | -                      | -          | 84,04,43,773          | 59,32,93,864        |
| Furniture and Fixtur  | 4,91,07,112           | 4,48,13,118           | 3,03,06,041              | 2,44,56,075           | -                      | -          | 1,88,01,071           | 2,03,57,043         |
| Vehicles and Aircraft | 15,32,78,511          | 14,87,36,231          | 11,76,26,348             | 10,23,28,756          | -                      | -          | 3,56,52,163           | 4,64,07,475         |
| Office Equipment      | 1,04,35,870           | 94,29,787             | 81,08,045                | 66,23,292             | -                      | -          | 23,27,825             | 28,06,495           |
| Computers             | 2,23,47,575           | 2,02,26,582           | 1,98,56,280              | 1,82,20,905           | -                      | -          | 24,91,295             | 20,05,677           |
| Temp Structure        | 49,23,662             | 49,23,662             | 46,77,479                | 45,22,749             | -                      | -          | 2,46,183              | 4,00,913            |
|                       | <b>2,42,42,99,217</b> | <b>2,02,72,89,819</b> | <b>1,25,90,95,301</b>    | <b>1,08,88,29,303</b> | -                      | -          | <b>1,16,52,03,916</b> | <b>93,84,60,516</b> |

(a). Reconciliation of the gross and net carrying amounts of assets at the beginning and year ending 31/03/2020 are as under:

| Cost                   | As at                 |                     | Additions | Disposals        | As at                 |  |
|------------------------|-----------------------|---------------------|-----------|------------------|-----------------------|--|
|                        | 31/03/2019            |                     |           |                  | 31/03/2020            |  |
| Freehold Land          | 19,11,04,231          | (0)                 |           |                  | 19,11,04,231          |  |
| Buildings              | 15,85,93,865          | -                   |           |                  | 15,85,93,865          |  |
| Plant and Equipment    | 1,44,94,62,341        | 38,50,46,049        |           |                  | 1,83,45,08,390        |  |
| Furniture and Fixtures | 4,48,13,118           | 42,93,994           |           |                  | 4,91,07,112           |  |
| Vehicles               | 14,87,36,231          | 45,42,280           |           |                  | 15,32,78,511          |  |
| Office Equipment       | 94,29,787             | 10,06,083           |           |                  | 1,04,35,870           |  |
| Computers              | 2,02,26,582           | 21,20,993           |           |                  | 2,23,47,575           |  |
| Temp Structure         | 49,23,662             | -                   |           |                  | 49,23,662             |  |
|                        | <b>2,02,72,89,819</b> | <b>39,70,09,398</b> |           |                  | <b>2,42,42,99,217</b> |  |
| <b>Previous Year</b>   | <b>1,98,57,74,741</b> | <b>4,52,72,793</b>  |           | <b>37,57,716</b> | <b>2,02,72,89,818</b> |  |

  

| Accumulated Depreciation | As at                 |                     | Additions | Deductions/<br>Other Adjst. | As at                 |  |
|--------------------------|-----------------------|---------------------|-----------|-----------------------------|-----------------------|--|
|                          | 31/03/2019            |                     |           |                             | 31/03/2020            |  |
| Freehold Land            | -                     | -                   |           |                             | -                     |  |
| Buildings                | 7,65,09,048           | 79,47,442           |           |                             | 8,44,56,490           |  |
| Plant and Equipment      | 85,61,68,477          | 13,78,96,141        |           |                             | 99,40,64,617          |  |
| Furniture and Fixtures   | 2,44,56,075           | 58,49,966           |           |                             | 3,03,06,041           |  |
| Vehicles                 | 10,23,28,756          | 1,52,97,592         |           |                             | 11,76,26,348          |  |
| Office Equipment         | 66,23,292             | 14,84,753           |           |                             | 81,08,045             |  |
| Computers                | 1,82,20,905           | 16,35,375           |           |                             | 1,98,56,280           |  |
| Temp Structure           | 45,22,749             | 1,54,730            |           |                             | 46,77,479             |  |
|                          | <b>1,08,88,29,302</b> | <b>17,02,65,999</b> |           |                             | <b>1,25,90,95,301</b> |  |
| <b>Previous Year</b>     | <b>91,89,12,616</b>   | <b>17,24,07,612</b> |           | <b>24,90,926</b>            | <b>1,08,88,29,302</b> |  |

**12 Capital Work In Progress**

Capital work in progress consist of the following:

Capital work in progress

| As at      |                  |
|------------|------------------|
| 31/03/2020 | 31/03/2019       |
| -          | 22,23,750        |
| -          | <b>22,23,750</b> |





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|  |  |                |              |
|--|--|----------------|--------------|
| 13 Investments   |  | As at          |              |
| Investments in the Subsidiaries/Joint Venture Companies  |  | 31/03/2020     | 31/03/2019   |
| Investment in Giga Pipe Systems LLP ( A Joint venture with RITEC, Germany)   |  | 5,50,00,000    | 5,50,00,000  |
| Investment in RELINE UV ASEAN PRIVATE LIMITED*   |  | 11,45,51,180   | -            |
| Note: Reline UV Asean Private Limited has issued 1,14, 55, 118 equity shares of Rs. 10 each to the Company during the FY 2019-20 |  | 16,95,51,180   | 5,50,00,000  |
| 14 Long-term Loans and Advances:   |  | As at          |              |
| Long-term Loans and Advances consist of the following:   |  | 31/03/2020     | 31/03/2019   |
| Security Deposits  |  |                |              |
| Secured, Considered Good   |  | 1,76,29,637    | 1,71,17,931  |
| Unsecured, Considered Good   |  |                |              |
|  |  | 1,76,29,637    | 1,71,17,931  |
| 15 Inventories:  |  | As at          |              |
| Inventories consist of the following:  |  | 31/03/2020     | 31/03/2019   |
| Raw Materials  |  | 23,44,13,870   | 14,03,51,364 |
| Work-in-Progress   |  | 38,74,70,338   | 35,35,38,994 |
| Finished Goods   |  | 55,08,80,685   | 30,18,07,306 |
| Site Work-in-Progress  |  | 19,81,41,953   |              |
|  |  | 1,37,09,06,846 | 79,56,97,664 |
| 16 Trade Receivables:  |  | As at          |              |
| Trade Receivables consist of the following:  |  | 31/03/2020     | 31/03/2019   |
| Outstanding for a period exceeding six months  |  |                |              |
| Secured, Considered Good   |  | 39,97,090      | 25,03,715    |
| Outstanding for a period less than six months  |  |                |              |
| Secured, Considered Good   |  | 1,19,40,43,697 | 95,50,26,206 |
|  |  | 1,19,80,40,787 | 95,75,29,921 |
| 17 Cash and Bank Balances:   |  | As at          |              |
| Cash and Bank Balances consist of the following:   |  | 31/03/2020     | 31/03/2019   |
| Bank Current Accounts  |  | 13,19,249      | 28,84,42,748 |
| Cash on hand   |  | 64,56,265      | 28,12,803    |
|  |  | 77,75,515      | 29,12,55,551 |
| Other Balances   |  |                |              |
| Balance with Banks:  |  |                |              |
| Deposits maturing within 12 months   |  | 58,44,69,561   | 45,48,53,991 |
|  |  | 58,44,69,561   | 45,48,53,991 |
|  |  | 59,22,45,075   | 74,61,09,542 |
| 18 Short-term Loans and Advances   |  | As at          |              |
| Short-Term Loans and Advances consist of the following:  |  | 31/03/2020     | 31/03/2019   |
| Security Deposits  |  |                |              |
| Secured, Considered Good   |  | 5,37,01,699    | 5,37,01,699  |
| Retention Money  |  |                |              |
| Secured, Considered Good   |  | 46,02,81,226   | 39,82,01,204 |
| Receivable from Revenue Authorities  |  |                |              |
| Secured, Considered Good   |  | 39,49,16,176   | 35,71,37,741 |
| Other loans and advances   |  |                |              |
| Secured, Considered Good   |  | 52,95,647      | 60,03,733    |
|  |  | 91,41,94,748   | 81,50,44,376 |
| Other loans and advances mainly include prepaid expenses, advance and loans to employees etc.                                    |  |                |              |
| 19 Retention Site Work in Progress   |  | As at          |              |
| Site WIP Retention   |  | 31/03/2020     | 31/03/2019   |
| Site Work-in-Progress Retention  |  | 53,24,65,087   | 53,24,65,087 |



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|  |  |                       |                       |
|--|--|-----------------------|-----------------------|
| <b>20 Revenue from Operations:</b>                   |  | <b>Year ended</b>     |                       |
| Revenue from Operations consist of the following:    |  | <b>31/03/2020</b>     | <b>31/03/2019</b>     |
| Gross Revenue from Operations                        |  | 5,99,56,17,675        | 4,31,63,10,162        |
| Less: Excise Duty                                    |  | -                     | -                     |
| Net Revenue from Operations                          |  | <u>5,99,56,17,675</u> | <u>4,31,63,10,162</u> |
| <b>21 Other Income:</b>                              |  | <b>Year ended</b>     |                       |
| Other Income consist of the following:               |  | <b>31/03/2020</b>     | <b>31/03/2019</b>     |
| Interest Income                                      |  |                       |                       |
| On FDR   |  | 3,47,55,440           | 2,44,86,356           |
| On Others  |  | 2,00,860              | 3,30,194              |
| Profit on sale of Fixed Asset/Insurance claim        |  | -                     | 9,33,210              |
| Duty Drawback  |  | 77,852                | 1,38,750              |
|  |  | <u>3,50,34,152</u>    | <u>2,58,88,510</u>    |
| <b>22 Cost of Materials Consumed:</b>                |  | <b>Year ended</b>     |                       |
| Cost of Materials consumed consist of the following: |  | <b>31/03/2020</b>     | <b>31/03/2019</b>     |
| Opening Stock  |  | 14,03,51,364          | 9,68,30,281           |
| Raw Material   |  | 4,77,63,34,757        | 2,93,15,82,118        |
| Closing Stock  |  | <u>23,44,13,870</u>   | <u>14,03,51,364</u>   |
|  |  | <u>4,68,22,72,251</u> | <u>2,88,80,61,035</u> |
| <b>23 Changes in Inventories:</b>                    |  | <b>Year ended</b>     |                       |
| Changes in Inventories consist of the following:     |  | <b>31/03/2020</b>     | <b>31/03/2019</b>     |
| Opening Inventories                                  |  |                       |                       |
| Work-in-Progress                                     |  | 35,35,38,994          | 38,19,12,665          |
| Finished Goods                                       |  | <u>30,18,07,306</u>   | <u>10,87,41,137</u>   |
|  |  | <u>65,53,46,300</u>   | <u>49,06,53,802</u>   |
| Less: Closing Inventories                            |  |                       |                       |
| Work-in-Progress                                     |  | 58,56,12,291          | 35,35,38,994          |
| Finished Goods                                       |  | <u>55,08,80,685</u>   | <u>30,18,07,306</u>   |
|  |  | <u>1,13,64,92,976</u> | <u>65,53,46,300</u>   |
|  |  | <u>(48,11,46,676)</u> | <u>(16,46,92,498)</u> |
| <b>24 Employee Benefits Expenses:</b>                |  | <b>Year ended</b>     |                       |
| Employee Benefits Expenses consist of the following: |  | <b>31/03/2020</b>     | <b>31/03/2019</b>     |
| Salaries and Wages                                   |  | 20,67,97,909          | 19,33,59,108          |
| Director Remuneration                                |  | 2,40,06,452           | 4,68,00,000           |
| Contribution to Provident Fund, ESI and other Funds  |  | 21,55,506             | 17,35,145             |
| Employee Welfare                                     |  | <u>59,80,311</u>      | <u>57,74,664</u>      |
|  |  | <u>23,89,40,178</u>   | <u>24,76,68,917</u>   |
| <b>25 Other Manufacturing Expenses</b>               |  | <b>Year ended</b>     |                       |
|  |  | <b>31/03/2020</b>     | <b>31/03/2019</b>     |
| Power and Fuel                                       |  | 9,72,08,772           | 7,59,21,464           |
| Stores and Spares                                    |  | 22,09,568             | 25,25,593             |
| Machinery Repair and Maintenance                     |  | 2,61,50,786           | 2,27,33,610           |
| Project Expenses                                     |  | 2,11,12,345           | 2,34,47,764           |
| Contract Expenses                                    |  | 25,58,60,702          | 22,57,82,336          |
| Hiring Charges of Equipment                          |  | <u>1,15,03,981</u>    | <u>1,00,61,564</u>    |
|  |  | <u>41,40,46,153</u>   | <u>36,04,72,331</u>   |
| <b>26 Finance Costs:</b>                             |  | <b>Year ended</b>     |                       |
| Finance Costs consist of the following:              |  | <b>31/03/2020</b>     | <b>31/03/2019</b>     |
| Interest   |  | 34,95,67,347          | 21,38,28,687          |
| Bank Charges   |  | <u>9,10,24,816</u>    | <u>7,65,43,851</u>    |
|  |  | <u>44,05,92,163</u>   | <u>29,03,72,539</u>   |





**KKSPUN INDIA LIMITED**  
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**Notes to the Financial Statements**

**27 Depreciation and Amortization Expenses:**

Depreciation and Amortization Expenses:

| Year ended          |                     |
|---------------------|---------------------|
| 31/03/2020          | 31/03/2019          |
| 17,02,65,998        | 16,99,16,686        |
| <b>17,02,65,998</b> | <b>16,99,16,686</b> |

**28 Other Expenses:**

Other Expenses consist of the following:

Repairs to Buildings  
Fee, Rates and Taxes  
Rent  
Insurance  
Auditors' Remuneration  
Business Promotion  
Computer Running & Maintenance  
Freight and Forwarding Expenses  
Donation  
Legal & Professional Charges  
Security Charges  
Tender fee  
Testing Fees  
Festival Expenses  
Advertisement Expenses  
Telephone Expenses  
Travelling & Conveyance  
Vehicle Running and Maintenance  
Truck Running & Maintenance  
Office Running & Maintenance  
Miscellaneous Expenses

| Year ended          |                     |
|---------------------|---------------------|
| 31/03/2020          | 31/03/2019          |
| 61,790              | 1,59,251            |
| 42,57,542           | 11,40,779           |
| 5,23,16,420         | 5,75,72,945         |
| 1,01,16,282         | 1,03,13,271         |
| 7,00,000            | 8,25,000            |
| 21,67,338           | 15,12,742           |
| 12,03,656           | 8,72,501            |
| 2,26,79,133         | 1,13,10,493         |
| 1,00,000            | 52,000              |
| 2,66,81,168         | 3,17,85,127         |
| 51,62,056           | 1,31,17,418         |
| 4,34,000            | 4,22,620            |
| 37,74,059           | 13,11,775           |
| 10,46,182           | 4,30,766            |
| 11,87,824           | 7,12,386            |
| 15,36,621           | 18,20,553           |
| 2,10,43,536         | 1,98,08,266         |
| 1,18,02,372         | 1,03,53,653         |
| 3,19,22,727         | 5,71,27,352         |
| 3,62,54,123         | 2,22,67,608         |
| 9,81,431            | 6,79,864            |
| <b>23,54,28,258</b> | <b>24,35,96,371</b> |

**29 Tax Expenses**

**Current Tax**

Current Tax for the year  
Less: MAT Credit Entitlement

Current Tax adjustments for earlier years (Net)

| Year ended          |                     |
|---------------------|---------------------|
| 31/03/2020          | 31/03/2019          |
| 11,50,00,000        | 11,64,00,000        |
| -                   | -                   |
| 11,50,00,000        | 11,64,00,000        |
| -                   | -                   |
| <b>11,50,00,000</b> | <b>11,64,00,000</b> |

**Deferred Tax**

Deferred Tax Liability/ (Assets) for the year

|                  |                      |
|------------------|----------------------|
| 63,33,396        | (1,07,29,833)        |
| <b>63,33,396</b> | <b>(1,07,29,833)</b> |

**30 Earning per Share (EPS)**

Profit/ (Loss) for the period

Number of shares used in the calculation of EPS:

Number of Basic Equity Shares outstanding  
Weighted average number of Shares  
Face value of per share (₹)

Basic EPS

| Year ended   |              |
|--------------|--------------|
| 31/03/2020   | 31/03/2019   |
| 20,89,20,106 | 19,86,42,200 |
| 1,20,40,882  | 1,20,40,882  |
| 1,20,40,882  | 1,20,40,882  |
| 10           | 10           |
| <b>17.35</b> | <b>16.50</b> |



**KKSPUN INDIA LIMITED**  
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**Notes to the Financial Statements**

**31(A) Significant Accounting Policies**

**A. Basis of Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 (The 'Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of The Act, to the extent notified. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year.

**B. Use of Estimates**

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles (GAAP), requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported revenues and expenses, during the year. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

**C. Fixed Assets**

Fixed assets are carried at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost is inclusive of freight, applicable duties, taxes and other directly attributable costs to bring the assets to their working condition/ for intended use.

**D. Impairment of Assets**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**E. Revenue Recognition**

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. All revenues and expenses are accounted for on accrual basis. Revenue in respect of other income is recognized when no significant uncertainty as to its determination or realization exists. Interest income is recognised on accrual basis.

**F. Provision for Current Tax and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

At each reporting date, the company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred assets can be realised.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax relate to the same taxable entity and the same taxation authority.

**G. Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**H. Depreciation**

Depreciation on the tangible assets is provided at the written down value (WDV) method as prescribed in Schedule II as notified under The Companies Act, 2013. Depreciation is charged on pro-rata to the period of use with reference to the date of installation.





**KKSPUN INDIA LIMITED**  
**CIN:U29199DL2006PLC144590**  
**Notes to the Financial Statements**

**I. Employee Benefits**

**a) Short-Term Employees Benefits**

The Employee Benefits payable only within 12 months of rendering the services are classified as short-term Employee Benefits such as salaries, leave travel allowance short term compensated absences etc and the expected cost of bonus are recognised in the period in which the employee renders the related services.

**b) Long-Term Employees Benefits**

Defined Gratuity Benefit Scheme as per As 15 :-

Actuarial Valuation of Gratuity as on 31-03-2020 is given below :-

| <b>Assets and Liabilities</b>                       |                  |
|---|------------------|
| <b>Particulars</b>                                  | <b>31-Mar-20</b> |
| Defined Benefit obligation                          | 75,00,849        |
| Fair Value of Plan Assets                           | -                |
| Unrecognised Past Service Cost                      | -                |
| <b>Net Liability (Assets)</b>                       | <b>75,00,849</b> |
| <b>Bifurcation of Liability</b>                     |                  |
| <b>Particulars</b>                                  | <b>31-Mar-20</b> |
| Current Liability                                   | 8,33,674         |
| Non-Current Liability                               | 66,67,175        |
| <b>Net Liability (Assets)</b>                       | <b>75,00,849</b> |
| <b>Income/Expenses Recognized during the period</b> |                  |
| <b>Particulars</b>                                  | <b>31-Mar-20</b> |
| Employee Benefit Expense                            | 75,00,849        |

Defined Privilege Leave Benefit Scheme as per As 15 :-

Actuarial Valuation of Privilege Leave Benefit as on 31-03-2020 is given below

| <b>Assets and Liabilities</b>                       |                  |
|---|------------------|
| <b>Particulars</b>                                  | <b>31-Mar-20</b> |
| Defined Benefit obligation                          | 19,48,324        |
| Fair Value of Plan Assets                           | -                |
| <b>Net Liability (Assets)</b>                       | <b>19,48,324</b> |
| <b>Bifurcation of Liability</b>                     |                  |
| <b>Particulars</b>                                  | <b>31-Mar-20</b> |
| Current Liability                                   | 3,16,553         |
| Non-Current Liability                               | 16,31,771        |
| <b>Net Liability (Assets)</b>                       | <b>19,48,324</b> |
| <b>Income/Expenses Recognized during the period</b> |                  |
| <b>Particulars</b>                                  | <b>31-Mar-20</b> |
| Employee Benefit Expense                            | 19,48,324        |

**J. Inventories**

Inventories have been valued at cost or net realizable value, whichever is lower.

The semi-finished goods and Finished Goods are valued at estimated cost based in technical knowledge of the Director regarding stages of completion cost and overhead thereon.

**K. Foreign Exchange Transaction**

**i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

**ii) Conversion**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured on terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction. Non-monetary items which are measured at the fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**iii) Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the company at the rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise



**KKSPUN INDIA LIMITED**  
**CIN:U29199DL2006PLC144590**  
**Notes to the Financial Statements**

**L. Segment reporting**

Company's operations relate to manufacture, sale and related construction services of RCC Precast Products and undertaking various EPC Projects. These sales and services are similar in nature & product line and operated from the same source i.e. material, man power and other direct cost.

**M. Finance Cost**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**N. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**31(B) Notes forming part of accounts**

**1. Commitments**

- (a). Estimated amount of contracts remaining to be executed on capital account and not provided for  
(b). Uncalled liability on shares and other investments partly paid  
(c). Others, if any (specify nature)

| As at      |            |
|------------|------------|
| 31/03/2020 | 31/03/2019 |
| -          | -          |
| -          | -          |
| -          | -          |
| <b>Nil</b> | <b>Nil</b> |

**2. Contingent Liabilities**

Bank Guarantees  
Corporate Guarantee\*

| As at                 |                       |
|-----------------------|-----------------------|
| 31/03/2020            | 31/03/2019            |
| 2,50,12,19,900        | 1,82,57,31,861        |
| 40,00,00,000          | 40,00,00,000          |
| <b>2,50,12,19,900</b> | <b>1,82,57,31,861</b> |

\* KKSpun India Ltd. has given the corporate Guarantee to State Bank of India for securing the working capital limits of Rs. 40 Crore on behalf of Giga Pipe System India LLP)

**3. Related Party Disclosures:**

**A. List of Related Parties:**

**i. Associates and related party**

Giga Pipe System LLP  
Reline UV Asean Pvt Ltd  
Jaishree Gupta  
Samiksha Gupta  
Aditi Gupta

**ii. Key Managerial Personnel:**

|                    |          |                        |
|--------------------|----------|------------------------|
| Pramod Kumar Gupta | Director | Deceased on 19.01.2020 |
| Himanshu Gupta     | Director |                        |
| Kavish Gupta       | Director |                        |

**B. Disclosure of transactions between the Company and Related Parties during the year in the ordinary course of business:**

**(a). Subsidiaries, Associates and Joint Ventures:**

|                                       | Reline UV Asean Private Limited | Giga Pipe Systems LLP | Pramod Kumar Gupta | Himanshu Gupta | Kavish Gupta | Jaishree Gupta | Samiksha Gupta | Aditi Gupta |
|---------------------------------------|---------------------------------|-----------------------|--------------------|----------------|--------------|----------------|----------------|-------------|
| <b>Transactions During the year :</b> |                                 |                       |                    |                |              |                |                |             |
| Investments                           | 11,44,51,180                    | 5,50,00,000           | -                  | 50,000         | 50,000       | -              | -              | -           |
| Rent                                  |                                 |                       | 48,60,000          | 84,00,000      | 54,00,000    | 2,34,00,000    |                | -           |
| Salary                                |                                 |                       | 72,06,452          | 84,00,000      | 84,00,000    | 9,00,000       |                |             |
| Professional Fee                      | 49,00,000                       |                       |                    |                |              |                | 6,37,500       | 6,37,500    |
| Purchase (Exclusive of Taxes)         |                                 | 25,32,56,423          |                    |                |              |                |                |             |
| Sale of Machinery                     | 16,67,99,700                    |                       |                    |                |              |                |                |             |
| Electricity & Power Charges           | 9,08,789                        |                       |                    |                |              |                |                |             |
| Advance against Capital Goods         | 5,61,99,464                     |                       |                    |                |              |                |                |             |

**Managerial Remuneration**

**Director Salary**

| As at              |                    |
|--------------------|--------------------|
| 31/03/2020         | 31/03/2019         |
| 2,40,06,452        | 4,68,00,000        |
| <b>2,40,06,452</b> | <b>4,68,00,000</b> |





**KKSPUN INDIA LIMITED**  
(Formerly known as K K Spun Pipe Private Limited)  
**Notes to the Financial Statements**

**4 Income and Expenditure in Foreign Currency**

A. C.I.F. value of imports by the Company (Excluding imported items purchased locally):

| Year ended         |                    |
|--------------------|--------------------|
| 31/03/2020         | 31/03/2019         |
| 1,34,65,391        | 2,46,28,888        |
| <b>1,34,65,391</b> | <b>2,46,28,888</b> |

Capital Goods

B. Value of Raw Materials, Stores and Spares consumed during the year ended:

|                    | Value                 |                       | Percentage (%) |            |
|--------------------|-----------------------|-----------------------|----------------|------------|
|                    | 31/03/2020            | 31/03/2019            | 31/03/2020     | 31/03/2019 |
| Raw Materials:     |                       |                       |                |            |
| Imported           | 5,31,98,698           | 37,56,673             | 1.14%          | 0.13%      |
| Indigenous         | 4,62,90,73,553        | 2,88,43,04,362        | 98.86%         | 99.87%     |
|                    | <b>4,68,22,72,251</b> | <b>2,88,80,61,035</b> |                |            |
| Stores and Spares: |                       |                       |                |            |
| Imported           | -                     | 6,26,957              | 0.00%          | 24.82%     |
| Indigenous         | 22,09,568             | 18,98,636             | 100.00%        | 75.18%     |
|                    | <b>22,09,568</b>      | <b>25,25,593</b>      |                |            |

5. No Dividend was declared in the current Financial Year. ( Previous Year NIL)

6. Auditor's Remuneration

Audit Fee  
Certification Fees & other Fees ( Exclusive of Taxes)

| As at           |                 |
|-----------------|-----------------|
| 31/03/2020      | 31/03/2019      |
| 8,25,000        | 8,25,000        |
| 47,643          | 69,848          |
| <b>8,72,643</b> | <b>8,94,848</b> |

7. Trade payables are net of balances after adjusting advances to vendors. Balances with Sundry Debtors, Creditors and other loans and advances are subject to confirmation.

8. 40% of the mobilisation is treated as current liability and 60% of the mobilisation is the part of the other long term liability.

9. The previous year figures has been reclassified/ rearranged / regrouped to correspond with current year figures.

**For SAKSHI & ASSOCIATES**  
Chartered Accountants  
FRN: 025099N

*Sakshi Khatabanda*  
CA SAKSHI KHATABANDA  
M No. 523802  
UDIN : 20523802AAAABH8508

Place : New Delhi  
Dated : 10-10-2020

**For and on Behalf of the Board of Directors**

*Himanshu Gupta*  
Himanshu Gupta  
Managing Director  
DIN: 00822757

*Kavish Gupta*  
Kavish Gupta  
Director  
DIN: 02983533

*Surjeet K. Vasava*  
Surjeet K. Vasava  
Company Secretary  
ACS/33655

