

## DIRECTORS' REPORT

To  
The Members of  
Kusum Industrial Gases Ltd

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2016.

### FINANCIAL RESULTS

	Year ended March 31, 2016	Year ended March 31, 2015
Profit before Tax	132,384,275	26,924,032
Less: Tax Expenses:		
a) Current Tax	231,632	1,399,640
b) MAT Credit	(231,632)	-
c) Deferred Tax	(255,371)	46,372
Profit / (Loss) for the period	132,639,646	25,478,020
Balance brought forward from previous year	138,777,003	118,460,199
	<b>271,416,649</b>	<b>143,938,219</b>
<b>Appropriations:</b>		
Income tax pertaining to previous year	74,765	11,216
Transfer to Statutory Reserve	26,550,000	5,150,000
Balance Carried to Balance Sheet	244,791,884	138,777,003
	<b>271,416,649</b>	<b>143,938,219</b>

### OPERATIONAL REVIEW

Your Company has recorded a profit after tax of Rs.1326.40 Lacs as against Rs.254.78 Lacs recorded in the previous year.

### FUTURE OUTLOOK

Your Directors are hopeful of a better performance during the current financial year too.

### DIVIDEND

Considering the need for ploughing back the available resources into the business, your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2016.

### RESERVES

Your Directors have proposed to transfer Rs.265.50 lacs to General Reserve for the year under review.

## Meetings of Directors

### Board Meeting

During the year 2015-16, the directors were met four times *inter-alia* to review the operation of the company and to discuss the financial results as well as the future business plans / strategy of the company. The board meetings were held on May 29, 2015; August 13, 2015; November 13, 2015 and February 10, 2016.

### DIRECTORS

Presently, the Board has Two Independent (Non-Executive) Directors, One Non-Independent (Non-Executive) Director.

### STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS

A statement on Declaration by Independent Directors under sub-section (6) of section 149 of the Companies Act, 2013 is attached with the report as a separate annexure.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

During the year under review the company has related party transaction as disclosed in the Annual Accounts.

### DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO CLAUSE (C) OF SUB SECTION (3) OF SECTION 134 OF THE COMPANIES ACT, 2013

The Directors hereby confirm:

- (i) that in the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures ;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period ;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and irregularities ;
- (iv) That the directors had prepared the annual accounts for the period ended March 31, 2016 on a going concern basis.
- (v) That proper internal financial control have been laid down and followed by the company and that such internal financial controls are adequate and are operating effectively.
- (vi) That proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement

within six months from the effective date. The Company has entered into the new Listing Agreement with CSE Limited during February, 2016.

#### **AUDITORS**

As per the provisions of the Companies Act, 2013 the Auditors can hold office till the conclusion of the 37<sup>th</sup> Annual General Meeting subject to ratification at every General Meeting.

The Auditors, M/s. B. Chhawchharia & Co., Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness for re-appointment.

#### **AUDITORS' REPORT**

The comments by the Auditors in their report are self explanatory and in the opinion of the Board do not require any further clarification.

#### **SECRETARIAL AUDIT REPORT**

The Secretarial Auditor, K. C. Khowala, Company Secretary have carried out the Secretarial Audit for the year ended March 31, 2016 as required under the Companies Act, 2013 and the audit report is attached to this Directors Report. There is no qualification, reservation, adverse remark or disclaimer by the Secretarial Auditor in its report that requires explanation or comments by the Board.

#### **DEPOSITS**

The Company has not accepted any deposits from public or others during the year under review.

#### **PARTICULARS OF EMPLOYEES**

During the year under review, no employee was in receipt of remuneration of/or in excess of the prescribed under the Companies Act, 2013.

#### **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The Company is not carrying on any manufacturing activities, hence information regarding conservation of energy and technology absorption is not furnished.

#### **DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES**

The Company does not have any Subsidiary, Joint venture however there are Associate Companies as per details given in the Annual Accounts.

#### **PARTICULARS OF LOANS AND GUARANTEES**

The Company has not given any loans or guarantee for loans taken by others under Section 186 of the Companies Act, 2013 and also not made any investments beyond the limits prescribed under the aforesaid section during the year.

#### **FOREIGN EXCHANGE EARNINGS & OUTGO**

Foreign Exchange earnings	Nil
Foreign Exchange outgo	Nil



## NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee of the Board comprising three directors out of which not less than one - half are independent as per the requirement of the act and has formulated the policy for appointment of Directors and Key Managerial Personnel and determination of remuneration including the criteria for determining qualification, positive attributes independence of a director and other matters as provided under sub-section (3) of section 178 of the Companies Act, 2013. In terms of the Policy, the non-executive directors and the independent directors shall not receive any remuneration, as well as they have wave their sitting fees for attending meetings of the Board and its Committees.

## AUDIT COMMITTEE

The Company has duly constituted Audit Committee in place with three directors as its members. The Audit Committee had met four times during the year under review. The details of the committee including its role and responsibilities are given in the Corporate Governance Report. The Audit Committee had met four times during the year i.e. May 29, 2015; August 13, 2015; November 13, 2015 and February 10, 2016.

## EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, (as amended) an extract of the annual return in the prescribed format is attached to this report.

## APPRECIATION

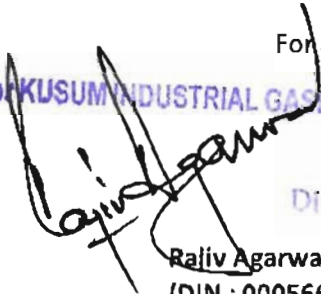
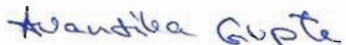
Your Directors wish to express their gratitude to the Shareholders, Bankers, Employees and all other well-wishers for their continued support and patronage.

Place : Kolkata

Dated : the 30<sup>th</sup> day of May, 2016

For and on behalf of the Board

For KUSUM INDUSTRIAL GASES LTD. For KUSUM INDUSTRIAL GASES LTD.

 Director.  Director.

Raliv Agarwal (DIN : 00056650) Avantika Gupta (DIN : 03149138)

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31/03/2016 of **Kusum Industrial Gases Ltd.**

*[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:- L23201WB1983PLC035668
- ii) Registration Date: 11/01/1983
- iii) Name of the Company: Kusum Industrial Gases Ltd.
- iv) Category/Sub-Category of the Company: - Public Limited Company
- v) Address of the Registered office and contact details: P-46A, Radha Bazar Lane, 4th Floor, Kolkata - 700001  
Ph: (033) 4051 3000 ; Fax: (033) 4051 3326
- vi) Whether listed company (Yes/No): Yes - CSE Limited  
Niche Technologies Pvt. Ltd. D-511, Bagree
- vii) Name, Address and Contact details of Registrar and Transfer Agent: Market, 5th Floor, 71, B.R.B. Basu Road, Kolkata-700001, Ph.-2235-7270

**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:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other Financial Activity	K8	100.00

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

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
<b>As per the Balance Sheet</b>					



**KUSUM INDUSTRIAL GASES LTD.**

**VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**1) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the 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	52200	248800	301000	25.347	52200	248800	301000	25.347	0.000
b) Central Government									
c) State Government									
d) Bodies Corporate	34500	346280	380780	32.065	34500	346280	380780	32.065	0.000
e) Banks / Financial Institutions									
f) Any Other									
Sub-total (A)(1)	86700	595080	681780	57.412	86700	595080	681780	57.412	0.000
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corporate									
d) Banks / Financial Institutions									
e) Any Other									
Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	86700	595080	681780	57.412	86700	595080	681780	57.412	0.000
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds									
b) Banks / Financial Institutions									
c) Central Governments									
d) State Governments									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors (FII)									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
Sub-total (B)(1)	0	0	0	0.000	0	0	0	0.000	0.000
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	29300	382380	411680	34.667	29300	382380	411680	34.667	0.000
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	150	93910	94060	7.921	150	93910	94060	7.921	0.000
ii) Individual shareholders holding nominal share capital in excess of Rs 1 l									
c) Others Specify									
1. NRI									
2. Overseas Corporate Bodies									
3. Foreign Nationals									
4. Clearing Members									
5. Trusts									
6. Foreign Bodies - D.R.									
Sub-total (B)(2)	29450	476290	505740	42.588	29450	476290	505740	42.588	0.000
Total Public Shareholding (B) = (B)(1)+(B)(2)	29450	476290	505740	42.588	29450	476290	505740	42.588	0.000
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>GRAND TOTAL (A+B+C)</b>	<b>116150</b>	<b>1071370</b>	<b>1187520</b>	<b>100.000</b>	<b>116150</b>	<b>1071370</b>	<b>1187520</b>	<b>100.000</b>	<b>0.000</b>



**KUSUM INDUSTRIAL GASES LTD.**

**B. Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of change in shareholding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	
1	ANKIT CREDITS PVT. LTD.	117380	9.884	0.000	117380	9.884	0.000	0.000
2	ANKIT GUPTA	54200	4.564	0.000	54200	4.564	0.000	0.000
3	AVANTIKA GUPTA	59000	4.968	0.000	59000	4.968	0.000	0.000
4	DAYAWATI GUPTA	10800	0.909	0.000	10800	0.909	0.000	0.000
5	ENERTECH ENGINEERS (INDIA) PVT. LTD.	57200	4.817	0.000	57200	4.817	0.000	0.000
6	P P GUPTA (KARTA OF HUF)	59000	4.968	0.000	59000	4.968	0.000	0.000
7	PADAM PRAKASH GUPTA	59000	4.968	0.000	59000	4.968	0.000	0.000
8	RAJ PRABHA GUPTA	59000	4.968	0.000	59000	4.968	0.000	0.000
9	RAJ PROJECTS PVT. LTD.	114980	9.682	0.000	114980	9.682	0.000	0.000
10	TECHNO LEASING & FINANCE CO. PVT. LTD.	91220	7.682	0.000	91220	7.682	0.000	0.000
	<b>TOTAL</b>	<b>681780</b>	<b>57.412</b>	<b>0.000</b>	<b>681780</b>	<b>57.412</b>	<b>0.000</b>	<b>0.000</b>



**KUSUM INDUSTRIAL GASES LTD.**

**C. Change In Promoter's Shareholding**

Sl No.	Name	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	ANKIT CREDITS PVT. LTD.				
	a) At the Beginning of the Year	117380	9.884		
	b) Changes during the year			(NO CHANGES DURING THE YEAR)	
	c) At the End of the Year			117380	9.884
2	ANKIT GUPTA				
	a) At the Beginning of the Year	54200	4.564		
	b) Changes during the year			(NO CHANGES DURING THE YEAR)	
	c) At the End of the Year			54200	4.564
3	AVANTIKA GUPTA				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year			(NO CHANGES DURING THE YEAR)	
	c) At the End of the Year			59000	4.968
4	DAYAWATI GUPTA				
	a) At the Beginning of the Year	10800	0.909		
	b) Changes during the year			(NO CHANGES DURING THE YEAR)	
	c) At the End of the Year			10800	0.909
5	ENERTECH ENGINEERS (INDIA) PVT. LTD.				
	a) At the Beginning of the Year	57200	4.817		
	b) Changes during the year			(NO CHANGES DURING THE YEAR)	
	c) At the End of the Year			57200	4.817
6	P P GUPTA (KARTA OF HUF)				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year			(NO CHANGES DURING THE YEAR)	
	c) At the End of the Year			59000	4.968
7	PADAM PRAKASH GUPTA				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year			(NO CHANGES DURING THE YEAR)	
	c) At the End of the Year			59000	4.968
8	RAJ PRABHA GUPTA				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year			(NO CHANGES DURING THE YEAR)	
	c) At the End of the Year			59000	4.968
9	RAJ PROJECTS PVT. LTD.				
	a) At the Beginning of the Year	114980	9.682		
	b) Changes during the year			(NO CHANGES DURING THE YEAR)	
	c) At the End of the Year			114980	9.682
10	TECHNO LEASING & FINANCE CO. PVT. LTD.				
	a) At the Beginning of the Year	91220	7.682		
	b) Changes during the year			(NO CHANGES DURING THE YEAR)	
	c) At the End of the Year			91220	7.682
	<b>TOTAL</b>	<b>681780</b>	<b>57.412</b>	<b>681780</b>	<b>57.412</b>





**KUSUM INDUSTRIAL GASES LTD.**

**D. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holder 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 the company	No. of shares	% of total shares of the company
1	AARKAY INVESTMENTS PVT. LTD.				
	a) At the Beginning of the Year	42700	3.596		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			42700	3.596
2	B L SARAOGI				
	a) At the Beginning of the Year	8425	0.709		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			8425	0.709
3	BRIGHTSUN TRACON PRIVATE LIMITED.				
	a) At the Beginning of the Year	58300	4.909		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			58300	4.909
4	GREEN TEAK AGRO PROCESSORS PVT.LTD.				
	a) At the Beginning of the Year	25060	2.110		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			25060	2.110
5	J P FINANCIAL SERVICES PVT. LTD.				
	a) At the Beginning of the Year	58800	4.951		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			58800	4.951
6	NOBLE COMMUNICATIONS PVT LTD				
	a) At the Beginning of the Year	53000	4.463		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			53000	4.463
7	S N MAHAWAR				
	a) At the Beginning of the Year	9290	0.782		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			9290	0.782
8	T M COMMERCIALS PVT. LTD.				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			59000	4.968
9	TECHNO INTERNATIONAL LTD.				
	a) At the Beginning of the Year	52020	4.381		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			52020	4.381
10	VARANASI COMMERCIAL LTD.				
	a) At the Beginning of the Year	50000	4.210		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			50000	4.210
	<b>TOTAL</b>	<b>416595</b>	<b>35.081</b>	<b>416595</b>	<b>35.081</b>



# KUSUM INDUSTRIAL GASES LTD.

## Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding at the		Cumulative Shareholding	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	AVANTIKA GUPTA				
	a) At the Beginning of the Year	59000	4.968		
	b) Changes during the year	[NO CHANGES DURING THE YEAR]			
	c) At the End of the Year			59000	4.968
	<b>TOTAL</b>	<b>59000</b>	<b>4.968</b>	<b>59000</b>	<b>4.968</b>



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

Sl. No.	For Each of the Directors 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
1	At the beginning of the year				
	Changes during the year	No Change During the year			
	At the End of the year				
2	At the beginning of the year				
	Changes during the year	No Change During the year			
	At the End of the year				

V. **INDEBTEDNESS**

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

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at</b>				
i) Principal Amount		0	0	0
ii) Interest due but	0	0	0	0
iii) Interest accrued	0	0	0	0
<b>Total (i+ii+iii)</b>		0	0	0
<b>Change in</b>				
* Addition	0	0	0	0
* Reduction		0	0	0
<b>Net Change</b>		0	0	
<b>Indebtedness at</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but	0	0	0	0
iii) Interest accrued	0	0	0	0
<b>Total (i+ii+iii)</b>	0	0	0	0

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. **Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		-	---	---	-
1	Gross salary				
	(a) Salary as per provisions	-	-	-	-
	(b) Value of perquisites u/s 17(2)	-	-	-	-
	(c) Profits in lieu of salary under	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit	NIL			-
	others specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	-	-	-	-
	Ceiling as per the Act	-	-	-	-

B. **Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors			
1	<b>Independent Directors</b>				
	Fee for attending board				
	Commission				0
	Others, please specify				0
	Total				0
	Total (1)	NIL			0
2	<b>Other Non-Executive</b>				



	Fec for attending board					
	Commission					
	Others, please specify					
	Total					
	Total (2)					0
	Total (B)=(1+2)					0
	Total Managerial Remuneration					0
	Overall Ceiling as per the Act					0

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
					Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	NIL			
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	0	0	0	0

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

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



## Independent Auditor's Report

To the Members of  
**KUSUM INDUSTRIAL GASES LIMITED**

### Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone financial statements of KUSUM INDUSTRIAL GASES LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone financial statements

2. The Company's Management 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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.



## Chartered Accountants

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
7. We have relied upon the management's representation relating to the disclosures in the financial statements regarding (a) the dues to Micro, Small and Medium Enterprises (Note 21); (b) segment reporting (Note 22); (c) related party particulars (Note 23) and (d) impairment of assets (Note 25).
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March 2016, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. On the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;



## Chartered Accountants

- f. With respect to the adequacy of the internal financial controls over financial reporting (IFCoFR) 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:
- i. the Company does not have any pending litigations which would impact its financial position
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**B Chhawchharia & Co**  
**Firm Registration No.: 305123E**

*Chartered Accountants*



**Kshitiz Chhawchharia**

*Partner*

Membership No. 061087

Kolkata  
May 30, 2016



**Annexure A to the Independent Auditor's Report of even date to the members of Kusum Industrial Gases Limited, on the financial statements for the year ended 31<sup>st</sup> March, 2016**

**Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (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 and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all immovable property are held in the name of the company.
- (ii) The Inventory of the Company consists of shares & mutual funds therefore, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion the, company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is 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 other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.





**Annexure A to the Independent Auditor's Report of even date to the members of Kusum Industrial Gases Limited, on the financial statements for the year ended 31<sup>st</sup> March, 2016**

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) In our opinion, managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been applied for and is pending for approval.

**B Chhawchharia & Co**  
**Firm Registration No.: 305123E**  
*Chartered Accountants*



**Kshitiz Chhawchharia**  
*Partner*  
Membership No. 061087

Kolkata  
May 30, 2016



## Annexure B

### Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of Kusum Industrial Gases Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

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

2. 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 ICAI. 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 the company's 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 Act.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.
5. 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 IFCoFR.

#### Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR includes those policies and procedures



**Annexure B to the Independent Auditor's Report of even date to the members of Kusum Industrial Gases Limited, on the standalone financial statements for the year ended 31 March, 2016**

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

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

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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

Kolkata  
May 30, 2016



**B Chhawchharia & Co**  
**Firm Registration No.: 305123E**

*Chartered Accountants*

A handwritten signature in black ink, appearing to read "Kshitiz Chhawchharia".

**Kshitiz Chhawchharia**  
*Partner*  
Membership No. 061087

**KUSUM INDUSTRIAL GASES LIMITED**

Balance Sheet as at 31<sup>st</sup> March, 2016

	Note	As at 31st March, 2016		As at 31st March, 2015	
		Rs.		Rs.	
<b><u>EQUITY &amp; LIABILITIES</u></b>					
<b>Shareholders' Funds</b>					
(a) Share Capital	2	11,875,200		11,875,200	
(b) Reserves & Surplus	3	347,595,143	359,470,343	215,030,262	226,905,462
<b>Current Liabilities</b>					
(a) Other Current Liabilities	4	58,050		39,326	
(b) Short-term Provisions	5	2,198,492	2,256,542	2,207,806	2,247,132
<b>TOTAL</b>			<b>361,726,885</b>		<b>229,152,594</b>
<b><u>ASSETS</u></b>					
<b>Non-Current Assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible Assets	6	2,549,232		3,312,379	
(b) Non-Current Investments	7	173,557,311		209,614,819	
(c) Deferred Tax Assets (net)	8	291,032		35,661	
(d) Long Term Loans and Advances	9	573,214	176,970,789	377,382	213,340,241
<b>Current Assets</b>					
(a) Inventories	10	39,023,080		11,860,301	
(b) Cash and Cash Equivalents	11	13,075,339		1,794,924	
(c) Short-term Loans and Advances	9	2,100,803		2,117,128	
(d) Other Current Assets	12	130,556,874	184,756,096	40,000	15,812,353
<b>TOTAL</b>			<b>361,726,885</b>		<b>229,152,594</b>
Significant Accounting Policies	1				

The accompanying notes are an integral part of the financial statements

As per our report of even date attached herewith

For **B. Chhawchharia & Co.**  
Firm Registration No. 305123E  
Chartered Accountants



**Kshitiz Chhawchharia**  
Partner  
M. No. 061087

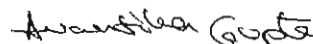
Place : Kolkata  
Dated : 30th May, 2016



For and on behalf of the Board



Rajiv Agarwal  
DIN 00056650



Avantika Gupta  
DIN 03149138

Directors

# KUSUM INDUSTRIAL GASES LIMITED

Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2016

	Note	Year ended 31st March, 2016 Rs.	Year ended 31st March, 2015 Rs.
I. Revenue from operations	13	608,552,350	169,545,873
II. Other Income	14	230,847,777	26,449,955
III. Total Revenue (I + II)		<b>839,400,127</b>	<b>195,995,828</b>
IV. Expenses:			
(a) Purchases of Stock-in-trade	15	731,625,970	114,000,000
(b) Changes in Inventories of Stock-in-trade	16	(27,162,779)	50,426,668
(c) Employee Benefit Expenses	17	1,120,000	1,120,000
(d) Depreciation and amortization expense	6	739,249	1,050,979
(e) Other expenses	18	693,412	1,958,299
<b>Total expenses</b>		<b>707,015,852</b>	<b>168,555,946</b>
V. Profit before exceptional and extraordinary items Tax (III - IV)		<b>132,384,275</b>	<b>27,439,882</b>
VI. Exceptional Items (Provision for diminution in value of Investments (Non Current) Refer Note no: 19.1)		-	515,850
VII. Profit before Tax (V - VI)		<b>132,384,275</b>	<b>26,924,032</b>
VIII. Tax Expenses			
(a) Current Tax		231,632	1,399,640
MAT Credit		(231,632)	-
(b) Deferred Tax		(255,371)	46,372
IX. Profit/(Loss) for the Period (VII - VIII)		<b>132,639,646</b>	<b>25,478,020</b>
X. Earning per Equity Share (nominal value of share Rs.10)			
(a) Basic		111.69	21.45
(b) Diluted		111.69	21.45

The accompanying notes are an integral part of the financial statements

As per our report of even date attached herewith

For B. Chhawchharia & Co.  
Firm Registration No. 305123E  
Chartered Accountants

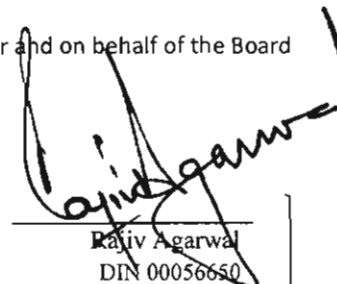


Kshitiz Chhawchharia  
Partner  
M. No. 061087

Place : Kolkata  
Dated : 30th May, 2016

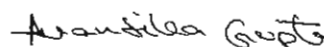


For and on behalf of the Board



Rajiv Agarwal  
DIN 00056650

Directors



Avantika Gupta  
DIN 03149138


**KUSUM INDUSTRIAL GASES LIMITED****Cash Flow Statement for the year ended 31st March, 2016**

	<u>2015 - 16</u> Rs.	<u>2014 - 15</u> Rs.
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before tax and extraordinary items	132,384,275	27,439,882
Adjustments for :		
Depreciation	739,249	1,050,979
Rental Income	(804,000)	(804,000)
Dividend	(33,976,208)	(23,231,251)
Profit on Sale of Fixed Asset	(36,101)	-
Profit on Sale of Investments	(94,035,076)	(2,414,704)
<b>Operating Profit before working Capital Changes</b>	<u>4,272,139</u>	<u>2,040,906</u>
Adjustments for :		
Inventories	(27,162,779)	50,426,668
Change in Loans & Advances	52,125	43,287
Other Current Asset	(130,516,874)	-
Trade Payables	18,724	5,618
<b>Cash generated from operations</b>	<u>(153,336,665)</u>	<u>52,516,479</u>
Direct taxes paid	(315,712)	(1,293,279)
<b>Net Cash generated from Operating Activities</b>	<u>(153,652,377)</u>	<u>51,223,200</u>
<b>B. Cash Flow from Investing Activities :</b>		
Fixed Assets Purchased	-	(2,383,598)
Sale of Fixed Asset	60,000	-
Rental Income	804,000	804,000
Dividend	33,976,208	23,231,251
Sale of Investments	135,092,584	4,311,235
Purchase of Investments	(5,000,000)	(76,000,000)
<b>Net Cash generated from Investing Activities</b>	<u>164,932,792</u>	<u>(50,037,112)</u>
<b>C. Cash Flow from Financing Activities</b>	-	-
<b>Net Cash generated from Financing Activities</b>	<u>-</u>	<u>-</u>
Net change in Cash and Cash Equivalent (A + B + C)	11,280,415	1,186,088
Cash and Cash equivalent As at 1st April 2014 (Opening Balance)	1,794,924	608,836
Cash and Cash equivalent As at 31st March 2015 (Closing Balance)	13,075,339	1,794,924

Note : Figures in brackets represent cash outflows.

As per our annexed report of even date attached herewith

**For B. Chhawchharia & Co.**  
Firm Registration No. 305123E  
Chartered Accountants

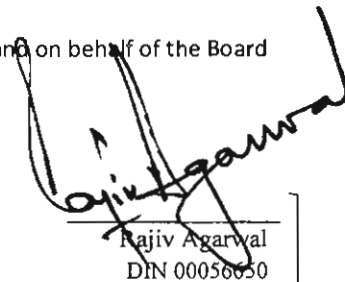


**Kshitiz Chhawchharia**  
Partner  
M. No. 061087

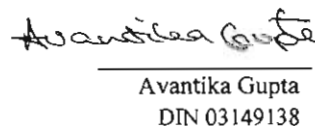
Place : Kolkata  
Dated : 30th May, 2016



For and on behalf of the Board



Rajiv Agarwal  
DIN 00056050



Avantika Gupta  
DIN 03149138

Directors

**KUSUM INDUSTRIAL GASES LIMITED**

**6. FIXED ASSETS**

Description	Gross Block			Accumulated depreciation/ amortisation			Net book value			
	As on 1st April, 2015	Additions	Sales / Adjustments	As at 31 March, 2016	Upto 1 April, 2015	For the Period	Sales / Adjustments	Upto 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016
<b>Tangible Assets</b>										
Building	2,064,981	-	-	2,064,981	1,444,543	29,977	-	1,474,520	590,461	620,438
Furniture & Fixture	1,136,000	-	-	1,136,000	592,442	149,128	-	741,570	394,430	543,558
Vehicle	889,360	-	477,985	411,375	844,893	-	454,087	390,806	20,569	44,467
Office Equipment	3,231,034	-	-	3,231,034	1,327,024	499,494	-	1,826,518	1,404,516	1,904,010
Air Conditioner	521,552	-	-	521,552	321,824	60,650	-	382,474	139,078	199,728
Electrical Fitting	21,016	-	-	21,016	20,838	-	-	20,838	178	178
<b>Total</b>	<b>7,863,943</b>	<b>-</b>	<b>477,985</b>	<b>7,385,958</b>	<b>4,551,564</b>	<b>739,249</b>	<b>454,087</b>	<b>4,836,726</b>	<b>2,549,232</b>	<b>3,312,379</b>
Previous Year's figures	5,480,345	2,383,598	-	7,863,943	3,500,585	1,050,979	-	4,551,564	3,312,379	-

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# KUSUM INDUSTRIAL GASES LIMITED

Notes to the Financial Statements for the year ended 31 March 2016

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## 1. Significant Accounting Policies

### 1.1 Basis of Preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention and in accordance with the provisions of the Companies Act, 2013. Accounting Policies not referred to otherwise are in consistent and are in consonance with the generally accepted accounting principles in India.

### 1.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialized.

### 1.3 Tangible Fixed Assets

Tangible Fixed assets are stated at cost, less accumulated depreciation, amortisation and impairment loss, if any.

### 1.4 Depreciation

Depreciation on tangible assets is provided on Written Down Value Method on the basis of useful life of the assets and in the manner prescribed in Schedule II to the Companies Act, 2013.

### 1.5 Impairment of Assets

The carrying amount of the assets is reviewed at each balance sheet date. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable value.

### 1.6 Investments

- i) Investments that are readily realisable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Long-term Investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term Investments are carried at cost. Provision for diminution in the value of Long-term Investments is made only if such a decline is other than temporary in nature in the opinion of the management.
- ii) The Cost of investment includes brokerage, fees, duties etc. but does not include Securities Transaction Tax.

### 1.7 Inventories

Inventories are valued at cost or net realizable value whichever is lower.

### 1.8 Employee Retirement Benefits

- i) Short term employee benefits are charged off at the undiscounted amount in the period in which the related service is rendered.
- ii) The Company does not have the policy to carry forward the unutilised leave.
- iii) Payment of Gratuity Act, Provident Fund & E.S.I. Acts are not applicable to the Company as number of employees are less than minimum required for applicability of respective Acts.

### 1.9 Taxes on Income

- i) Provision for Income Tax is made on the basis of estimated taxable income for the period at current rates.
- ii) Tax expense comprises both Current Tax and Deferred Tax at the applicable enacted or substantively enacted rates. Current Tax represents the amount of Income Tax payable/ recoverable in respect of taxable income/ loss for the reporting period.
- iii) Deferred Tax represents the effect of timing difference between taxable income and accounting income for the reporting period that originates in one year and are capable of reversal in one or more subsequent years.
- iv) Minimum alternate tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability, and is considered and recognized as an asset in the Balance Sheet when it is probable that such benefits will flow to the Company in future years and the same can be measured reliably.

### 1.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

### 1.11 Revenue Recognition

All expenses and income to the extent considered payable and receivable respectively, unless otherwise stated, are accounted for on an accrual basis. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.



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# KUSUM INDUSTRIAL GASES LIMITED

Notes to the Financial Statements for the year ended 31 March 2016

	31 March, 2016		31 March, 2015	
	Rs		Rs	
<b>2. Share Capital</b>				
<b>a) Capital Structure</b>				
<b>Authorised</b>				
1,300,000 Equity Shares of Rs. 10/- each.		13,000,000		13,000,000
		<u>13,000,000</u>		<u>13,000,000</u>
<b>Issued, Subscribed and Fully Paid Up</b>				
1,187,520 Equity Shares of Rs. 10/- each.		11,875,200		11,875,200
		<u>11,875,200</u>		<u>11,875,200</u>
<b>b) Share Capital Reconciliation</b>				
<b>Equity Shares</b>				
	<u>Nos.</u>	<u>Amount</u>	<u>Nos.</u>	<u>Amount</u>
Opening balance	1,187,520	11,875,200	1,187,520	11,875,200
Issued during the period	-	-	-	-
<b>Closing Balance</b>	<u>1,187,520</u>	<u>11,875,200</u>	<u>1,187,520</u>	<u>11,875,200</u>
<b>c) Terms/ rights attached to shares</b>				
<b>Equity Shares</b>				
The company has only one class of equity shares having a par value of Rs.10/- .Each holder of equity shares is entitled to one vote per share.				
In the event of liquidation of the company, the holders of 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.				
<b>d) Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date</b>				
	<u>No. of shares</u>	<u>% holding</u>	<u>No. of shares</u>	<u>% holding</u>
Ankit Credits Pvt. Ltd.	117,380	9.88	117,380	9.88
Raj Projects Pvt. Ltd.	114,980	9.68	114,980	9.68
Techno Leasing & Finance Co. Pvt. Ltd.	91,220	7.68	91,220	7.68
<b>3. Reserves &amp; Surplus</b>				
<b>Amalgamation Reserve</b>		37,809,759		37,809,759
<b>Reserve Fund</b>				
(Pursuant to Sec 45IC of the RBI Act, 1934)				
As per last Balance Sheet	38,443,500		33,293,500	
Add : Addition during the Year	<u>26,550,000</u>	64,993,500	<u>5,150,000</u>	38,443,500
<b>Surplus/(Deficit) in the statement of Profit and Loss</b>				
Balance as per last financial statements	138,777,003		118,460,199	
Add : Profit/(Loss) for the year	<u>132,639,646</u>		<u>25,478,020</u>	
	271,416,649		143,938,219	
Less : Income tax pertaining to previous year	74,765		11,216	
Less : Transferred to Statutory Reserve	<u>26,550,000</u>	244,791,884	<u>5,150,000</u>	138,777,003
<b>Total Reserves &amp; Surplus</b>		<u>347,595,143</u>		<u>215,030,262</u>
<b>4. Other Current Liabilities</b>				
<b>Other payables</b>				
Audit Fees		42,800		36,826
TDS Payable		15,250		2,500
		<u>58,050</u>		<u>39,326</u>
<b>5. Short-term Provisions</b>				
Provision for NPA		2,100,000		2,100,000
Provision for Income Tax (Net of Advance Tax)		98,492		107,806
		<u>2,198,492</u>		<u>2,207,806</u>



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# KUSUM INDUSTRIAL GASES LIMITED

Notes to the Financial Statements for the year ended 31 March 2016

	31 March 2016		31 March 2015	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)
<b>7. Non-Current Investments</b>				
(fully paid-up; FV Rs 10 each, unless otherwise stated)				
<b>Other Investments</b>				
<b>Name of the Company</b>				
<b>Investments in Equity Instruments</b>				
<b>Quoted</b>				
Ballarpur Industries Ltd. (F.V. Rs. 2)	6,000	98,786	6,000	98,786
Checons Ltd.	6,500	32,500	6,500	32,500
GHCL Ltd.	-	-	945,530	41,057,508
GTL Infrastructure Ltd.	20,611	188,873	20,611	188,873
Motorol Speciality Oils Ltd.	503,905	211,640	503,905	211,640
National Steel & Agro Industries Ltd.	10,000	216,776	10,000	216,776
Nextgen Animation Media Ltd.	600	-	600	-
Octal Credit Capital Ltd.	100,000	1,720,000	100,000	1,720,000
Roofit Industries Ltd.	100	460	100	460
Silverline Technologies Ltd.	3,500	523,515	3,500	523,515
Sun Earth Ceramics Ltd.	100	120	100	120
Techno Electric & Engg. Co. Ltd. (F.V. Rs. 2)	7,083,000	9,715,790	7,083,000	9,715,790
Varun Shipping Company Ltd (#)	-	-	42,683	2,096,233
Varun Resources Ltd (#)	170,732	1,676,986	-	-
Varun Global Ltd (#)	42,683	419,247	-	-
		<b>14,804,693</b>		<b>55,862,201</b>
Less: Provision for Diminution in Value of Assets (Refer Note: 19.1)		515,850		515,850
		<b>14,288,843</b>		<b>55,346,351</b>
<b>Unquoted</b>				
Ankit Credits Pvt. Ltd.	200,000	2,000,000	200,000	2,000,000
Bargarh Green Power Generating Co. Ltd.	10,000	100,000	10,000	100,000
Binani Zinc Ltd.	1,811	-	1,811	-
Deserve Vincom Pvt. Ltd.	1,100,000	11,000,000	1,100,000	11,000,000
Direction Barter Pvt. Ltd.	1,100,000	11,000,000	1,100,000	11,000,000
Enertech Engineers (I) Pvt. Ltd.	58,000	1,655,000	58,000	1,655,000
Gagan Realdev Pvt. Ltd.	1,100,000	11,000,000	1,100,000	11,000,000
Green Teak Agro Processors Pvt. Ltd.	18,500	185,000	18,500	185,000
Horizon Vintrade Pvt Ltd	2,422,500	24,225,000	2,422,500	24,225,000
Majestic Comtrade Pvt Ltd	822,500	8,225,000	822,500	8,225,000
Navyug Infracon Pvt. Ltd.	51,000	510,000	51,000	510,000
Pinnacle Commodore Pvt Ltd	2,272,500	22,725,000	2,272,500	22,725,000
Raj Projects Pvt. Ltd.	72,000	979,000	72,000	979,000
Saffron Enclave Pvt. Ltd.	245,000	22,000,000	245,000	22,000,000
Techno International Ltd	400,000	14,000,000	400,000	14,000,000
Techno Leasing & Finance Co. Pvt. Ltd	209,500	11,095,000	209,500	11,095,000
Techno Power Projects Ltd	48,500	57,500	48,500	57,500
Techno Power Grid Company Ltd	500,000	5,000,000	-	-
Varanasi Commercial Ltd	330,400	13,511,968	330,400	13,511,968
		<b>159,268,468</b>		<b>154,268,468</b>
<b>Total Quoted &amp; Unquoted Investment</b>		<b>173,557,311</b>		<b>209,614,819</b>
<b>Market Value of Quoted Investments(*)</b>		<b>3,860,250,028</b>		<b>2,825,860,407</b>

## Note

(#) Pursuant to the Composite Scheme of Arrangement and Amalgamation as approved by the Hon'ble High Court of Judicature at Bombay, shares of Varun Resources Limited & Varun Global Limited has been issued and allotted for the erstwhile Varun Shipping Company Limited.

(\*) In case of infrequently traded /suspended for trading scrips, the last quoted price available has been considered.

## 8. Deferred Tax Assets

Difference between book value of depreciable assets as per books of account and written down value for tax purposes

	2015-2016	2014-2015
	Rs	Rs
	291,032	35,661
	<b>291,032</b>	<b>35,661</b>



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# KUSUM INDUSTRIAL GASES LIMITED

Notes to the Financial Statements for the year ended 31 March 2016

9. <u>Loans and Advances</u> (Unsecured, considered good)	<u>Non Current</u>		<u>Current</u>	
	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2016	As at 31 March, 2015
Security Deposit	57,492	57,492	-	-
<b>Others</b>				
Other advances recoverable in cash or kind				
Considered good	284,090	319,890	-	-
Considered doubtful	-	-	2,100,000	2,100,000
Prepaid Expenses	-	-	803	17,128
MAT Credit	231,632	-	-	-
	<u>573,214</u>	<u>377,382</u>	<u>2,100,803</u>	<u>2,117,128</u>
		<u>31 March, 2016</u>		<u>31 March, 2015</u>
		Rs		Rs
<b>10. <u>Inventories (Valued at lower of cost and net realizable value)</u></b>				
Mutual Fund Units		-		11,860,301
Bonds		39,023,080		-
		<u>39,023,080</u>		<u>11,860,301</u>
<b>11. <u>Cash and Cash Equivalents</u></b>				
Balances with Banks in Current Accounts		13,050,729		1,778,186
Cheque in hand		-		-
Cash on hand		24,610		16,738
		<u>13,075,339</u>		<u>1,794,924</u>
<b>12. <u>Other Current Assets</u></b>				
Rent receivable		40,000		40,000
Other Receivable		130,516,874		-
		<u>130,556,874</u>		<u>40,000</u>
		<u>2015-2016</u>		<u>2014-2015</u>
		Rs		Rs
<b>13. <u>Revenue from Operations</u></b>				
<b>Sale of Products</b>				
Mutual Fund Units		608,552,350		169,545,873
		<u>608,552,350</u>		<u>169,545,873</u>
<b>14. <u>Other Income</u></b>				
Dividend income from Long Term Investments		33,976,208		23,231,251
Dividend - Trade		98,151,570		-
Rental Income		804,000		804,000
Profit on Sale of Investment (Net)		94,035,076		2,414,704
Interest on Delayed Dividend		5,122		-
Interest on Fixed Deposit		198,996		-
Profit on Sale of Fixed Asset		36,101		-
Speculative gain/(loss)		301		-
Derivative Trading (Futures & Options)		3,640,403		-
		<u>230,847,777</u>		<u>26,449,955</u>
<b>15. <u>Purchases of stock-in-trade</u></b>				
Mutual Fund Units		692,602,890		114,000,000
Bonds		39,023,080		-
		<u>731,625,970</u>		<u>114,000,000</u>



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# KUSUM INDUSTRIAL GASES LIMITED

Notes to the Financial Statements for the year ended 31 March 2016

	2015-2016 Rs	2014-2015 Rs
<b>16. <u>Changes in Inventory of Stock-in-trade</u></b>		
<b><u>Inventories at the beginning of the year</u></b>		
Mutual Fund Units	11,860,301	62,286,969
Bonds	-	-
	<u>11,860,301</u>	<u>62,286,969</u>
<b><u>Inventories at the end of the year</u></b>		
Mutual Fund Units	-	11,860,301
Bonds	39,023,080	-
	<u>39,023,080</u>	<u>11,860,301</u>
	<u>(27,162,779)</u>	<u>50,426,668</u>
<b>17. <u>Employee Benefit Expense</u></b>		
Salary, Wages & Bonus	1,120,000	1,120,000
	<u>1,120,000</u>	<u>1,120,000</u>
<b>18. <u>Other expenses</u></b>		
Repairs & Maintenance to Building	73,620	1,491,294
Electricity Charges	41,390	35,670
Rates & Taxes	41,100	50,800
Auditors' Remuneration		
- Audit Fees	28,625	22,472
- Tax Audit Fees	5,725	5,618
- Certification Matters	15,810	14,606
- Internal Audit Fee	11,450	11,236
Motor Car Expenses	112,767	150,363
Miscellaneous expenses	362,925	176,240
	<u>693,412</u>	<u>1,958,299</u>

19. In the opinion of the management, the diminution in the value of certain long term investments are temporary in nature and hence no provision has been made for the same except in cases as stated in Note 19.1 below.

19.1. The Company has an investment of Rs. 5,23,515 in the shares of a listed company being Silverline Technologies Ltd. The market value of the same as at 31st March, 2016 is Rs 7,665 (PY Rs 7,665). The management has considered the above investment as long term strategic investment and the decline in market value upto FY 2013-14 was considered temporary in nature. However, in view of the change of status of the investee companies, the management in the Financial Year 2014-15 was of the opinion that the decline in market value may no longer be temporary in nature; hence provision in diminution in value there against of Rs. 5,15,850 was made in the accounts for the year ended on 31.03.2015. Provision for further diminution in Market Value of the aforesaid investment of Rs. NIL (Previous Year Rs. 5,15,850) has been made during the current Financial Year i.e., 2015-16, thereby making cumulative provision of Rs. 5,15,850.

20. The Company's application with the Reserve Bank of India for registration as a Non-Banking Finance Company is pending their approval.

21. The Company has circulated confirmation for the identification of suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006. On the basis of information available with the Company under the aforesaid Act, there are no Enterprises to whom the Company owes dues which are outstanding at year end. This has been relied upon by the Auditors.

22. The Company's activities during the year were limited to Investment Activities and accordingly no separate disclosure is required in terms of Accounting Standard 17, 'Segment Reporting'.

## 23. Related Party Disclosures

As per Accounting Standard 18 'Related Party Disclosures' issued by ICAI, the disclosure of transactions with related parties are given below:

### i) Names of the related parties and description of relationship

#### 1. Key Management Personnel (KMP) and their relatives

Ms. Avantika Gupta	Director
Mr. Ankit Saraiya	Relative of Director
Mr. P. P. Gupta	Relative of Director

#### 2. Associates

Bargarh Green Power Generating Co. Ltd.  
Saffron Enclave Pvt. Ltd.  
Majestic Commtrade Pvt Ltd



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# KUSUM INDUSTRIAL GASES LIMITED

Notes to the Financial Statements for the year ended 31 March 2016

## ii) Transactions during the period with related parties:

Transactions:	KMP & Relatives of KMP		Associates	
	2015-16	2014-15	2015-16	2014-15
Remuneration Paid	1,120,000	1,120,000	-	-
Rent received	804,000	804,000	-	-
<b>The closing balances are as below</b>				
<u>Closing Balance:</u>				
Year end Investments	-	-	30,325,000	30,325,000
Receivables	40,000	40,000	-	-

## 24. Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March, 2016	31 March, 2015
Net Profit / (Loss) attributable to equity shareholders	132,639,646	25,478,020
Weighted average number of equity shares in calculating EPS	1,187,520	1,187,520
Nominal value of Equity Shares	10	10
Basic & Diluted EPS	111.69	21.45

25. On the basis of physical verification of assets and cash generation capacity of those assets, in the management perception, there is no impairment of assets as on 31st March, 2016.

## 26. Details of Purchases, Turnover and Stock:

	Mutual Funds		Bonds	
	Units	Amount (Rs)	Nos	Amount (Rs)
Opening Stock	3,634.435	11,860,301	-	-
Purchases	23,547,191.298	692,602,890	39	39,023,080
Sales/Write-off	23,550,825.733	608,552,350	-	-
Closing Stock	-	-	39	39,023,080

## 27. Previous Years figures

Previous year's figures have been regrouped & rearranged wherever considered necessary. Figures are rounded off to the nearest Rupee.

As per our report of even date attached herewith

For B. Chhawchharia & Co.  
Firm Registration No. 305123E  
Chartered Accountants

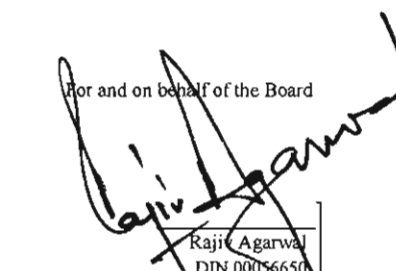


Kshitiz Chhawchharia  
Partner  
M. No. 061087

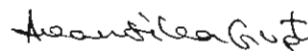
Place : Kolkata  
Dated : 30th May, 2016



For and on behalf of the Board



Rajiv Agarwal  
DIN 00056650



Avantika Gupta  
DIN 03149138

Directors

# KUSUM INDUSTRIAL GASES LIMITED

Notes to the Financial Statements for the year ended 31 March 2016

## KUSUM INDUSTRIAL GASES LTD

ANNEXURE TO NOTE NO. 26

	31 March 2016		31 March 2015	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)
<b>Stock-in-Trade</b> (fully paid-up; FV Rs 10 each, unless otherwise stated)				
<b>Other Investments</b>				
<b>A. Investments in Mutual Funds (Unquoted)</b>				
<b>Mutual Funds</b>				
Reliance Liquid Fund - Treasury Plan - Dir. - G (F.V. Rs. 1000)	-	-	3,634.435	11,860,301
		<u>-</u>		<u>11,860,301</u>
<b>B. Investments in Bonds (Unquoted)</b>				
<b>Bonds</b>				
18% Ambience Infrastructure Developers Pvt Ltd NCD - SR-D 10/10/2017 (FV Rs. 10 Lac)	39	39,023,080	-	-
		<u>39,023,080</u>		<u>-</u>
<b>Total (A + B)</b>		<u>39,023,080</u>		<u>11,860,301</u>



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