

# KPL EXPORTS PVT. LTD.

"PAN PARAG HOUSE"

24/19, THE MALL,

KANPUR-208001

Phone No.: 0512-2312171

E-mail Id: rkgupta@kothariproducs.in

(U74900UP2008PTC035118)

## DIRECTORS' REPORT

### TO THE MEMBERS:

The Board of Directors of your Company feel delighted in presenting its Eight Annual Report and Audited Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2016.

### FINANCIAL PERFORMANCE:

(Amount in Lacs)

	FINANCIAL YEAR ENDED 31.03.2016	FINANCIAL YEAR ENDED 31.03.2015
Sales	108715	102351
Other Income	4569	3361
<b>Profit before Taxation</b>	<b>2308</b>	<b>2285</b>
Provision for Taxation:		
-Current Tax	800	780
-Deferred Tax	13	16
-Tax Adjustments for earlier years	(2)	9
<b>Profit after Tax</b>	<b>1497</b>	<b>1479</b>
Add : Balance of Profit brought forward from previous year	5203	3723
Profit available for appropriation	6699	5203
<b>APPROPRIATIONS</b>		
Transfer to General Reserve	0	0
Proposed Dividend	0	0
Additional Tax on Proposed Dividend	0	0
Balance of Profit carried forward	6699	5203

### 2015 IN RETROSPECT:

Your Directors are to report that the Company's sales turnover during the year under review has increased to Rs. 108715 Lacs as against Rs. 102351Lacs during the previous financial year. The profit before tax during the year under review has also increased marginally to Rs. 2308 Lacs as against Rs. 2285 Lacs in the previous year. Similarly, the profit after tax has also increased to Rs. 1497 Lacs as against Rs. 1479 Lacs in 2015. The Directors are making all endeavors to give still better performance in future.

### EXPORT BUSINESS :

During the aforesaid period the Company has exported various commodities to various countries amounting to Rs. 106841 lacs as against Rs. 98402 Lacs in the previous year.

**DIVIDEND:**

Your Directors do not recommend any Dividend for the financial year under review to conserve resources for future purposes.

**DIRECTORS:**

Sri Mitesh Kothari, Director of the Company, retires by rotation in the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

**APPOINTMENT OF COMPANY SECRETARY**

Pursuant to the provision of section 203 of the Companies Act, 2013 read alongwith Rule 8A of the Companies(Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Ankita Bansal, bearing ACS No. 44105, as Whole time Company Secretary of the Company w.e.f. 17<sup>th</sup> March. 2016.

**NUMBER OF THE BOARD MEETINGS**

The Company held Seven Board Meetings during the year 2015-16.

**DIRECTORS RESPONSIBILITY STATEMENT:**

As required under Sec.134 (3) (c) read with Sec. 134(5) of the Companies Act, 2013, your Directors confirm:

- (i) That in the preparation of the annual accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year under review on a going concern basis.
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**DECLARATION BY INDEPENDENT DIRECTORS**

Sri Pramod Kumar Tandon, Sri Kamlesh Mehta and Smt. Reema Shah are Independent Directors on the Board of the Company. All the above named Independent Directors have given their respective declarations under Section 149(6) of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board, the Independent Directors fulfill the conditions relating to their status as Independent Directors as specified in Section 149 of the Companies Act, 2013 and the Rules made thereunder.

**AUDITORS & AUDITORS' REPORT:**

M/s Mehrotra & Mehrotra, Chartered Accountants, Auditors of the Company, retire at the ensuing annual general meeting and are eligible for reappointment. There are no

qualifications or adverse remarks in the Auditors Report which call for explanation by the Directors.

#### **SECRETARIAL AUDIT & ITS REPORT**

As required by section 204 of The Companies Act, 2013, Mr.Saurabh Gupta of M/s Gupta Saurabh & Associates, Practicing Company Secretary of Kanpur was appointed as the Secretarial Auditor of the Company and he has carried out the Secretarial Audit of the Company and has submitted his Report which is annexed to this report as 'Annexure-1'.

There are no qualification, reservation, adverse remark in the Secretarial Auditors' Report which need explanation in the Directors' Report.

#### **LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, guarantees and investments, if any, covered under sec.186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

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

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 are given in the Note No. 30 to the financial Statements.

Further, The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 have been enclosed with the report in the prescribed format AOC-2 as 'Annexure-8'.

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

The information required under Section 134(3)(M) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 is as under:-

##### **[A] CONSERVATION OF ENERGY**

- a) Energy Conservation Measures taken: The Company has taken all measures for conservation of energy most economically.
- b) The steps taken by the Company for utilizing alternate source of energy:- No such steps have been taken by the Company.
- c) The capital Investments on energy conservation equipments:- No such investment has been made by the Company
- d) Impact of measures at (a) above for energy conservation:- These measures have led to consumption of energy more economically.

##### **[B] TECHNOLOGY ABSORPTION:**

Since there is no manufacturing activity in the Company hence the information under this heading is not applicable to the Company.

##### **[C] FOREIGN EXCHANGE EARNINGS AND OUTGO :**

		<b>(Amount in Lacs)</b>	
		<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>a)</b>	Earning in Foreign Exchange	<b>106841</b>	98402
<b>b)</b>	Expenditure in Foreign Currency	<b>105183</b>	100072

## **INDUSTRIAL RELATIONS :**

Cordial and harmonious industrial relations prevailed throughout the year.

## **COMMITTEES OF THE BOARD**

Pursuant to the provisions of the Companies Act, 2013 the Company has constituted following committees and their composition is as under:-

### 1. Audit Committee.

<b>NAMES OF THE DIRECTOR</b>	<b>DESIGNATION IN COMMITTEE</b>
Sri Deepak Kothari	Chairman
Sri Pramod Kumar Tandon	Member
Sri Kamlesh Mehta	Member

### 2. Nomination & Remuneration Committee.

<b>NAMES OF DIRECTORS</b>	<b>DESIGNATION IN COMMITTEE</b>
Sri Deepak Kothari	Chairman
Sri Kamlesh N. Mehta	Member
Sri Pramod Kumar Tandon	Member

### 3. Corporate Social Responsibility Committee.

<b>NAMES OF DIRECTORS</b>	<b>DESIGNATION IN COMMITTEE</b>
Sri Deepak Kothari	Chairman
Sri Pramod Kumar Tandon	Member
Sri Mitesh Kothari	Member

## **POLICIES OF THE COMPANY**

Pursuant to the provisions of the Companies Act, 2013, the Company has framed following Policies:-

### **1. Corporate Social responsibility policy:**

The details of the Corporate Social responsibility policies are mentioned as 'Annexure-2' to this report.

### **2. Nomination & Remuneration policy:**

The details of the Corporate Social responsibility policies are mentioned as 'Annexure-3' to this report.

### **3. Whistle Blower/ Vigil Mechanism Policy**

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the Whistle blower to report any unethical or improper practice (not necessary violation of law) and to define processes for receiving and investigating complaints. The company has assigned the email ID- [anuragtandon@gmail.com](mailto:anuragtandon@gmail.com) or [deepakkothari@panparag.com](mailto:deepakkothari@panparag.com) on which anyone can report or send written complaint to the Vigilance Officer, Director and the Chairman of the Audit Committee. The confidentiality of those reporting violations is

maintained and they are not subjected to any discriminatory practice. The details of the Whistle Blower/Vigil Mechanism Policy are mentioned as 'Annexure-4' to this report.

#### **4. Risk Management policy**

The Company has developed and implemented Risk Management Policy for the Company which inter-alia includes identification therein elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. The details of Risk Management Policy are mentioned as 'Annexure-5' to this report.

#### **ISSUE OF RIGHT EQUITY SHARES**

As you are aware that your Directors had, during the year under review, proposed to issue 40,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 250/- per share amounting to Rs.1,04,00,00,000 through Right Issue in the ratio of 2 Equity Shares for every 1 Equity Share held as on 12<sup>th</sup> August, 2015, being the record date fixed for the purpose. The aforesaid Equity Shares have been allotted to the eligible shareholders on 17<sup>th</sup> September, 2015.

#### **SHARE CAPITAL:**

The entire share capital of the Company is held by Kothari Products Ltd. and accordingly the Company is a wholly owned subsidiary of Kothari Products Ltd.

#### **CHANGES IN SHARE CAPITAL:**

The Company has increased the authorized share capital of the Company from Rupees Two Crores (Rs.2,00,00,000/-) divided into Twenty Lakh (20,00,000) Equity Shares of Rs.10/- each to Rupees Ten Crores (Rs. 10,00,00,000/-) divided into One Crore (1,00,00,000) Equity Shares of Rs.10/- each after obtaining your approval through the Extra Ordinary General Meeting held on 11<sup>th</sup> August, 2015, to facilitate Issue of aforesaid Right Shares. Further, the paid-up share capital of the Company has also been increased, post allotment of aforesaid Right Shares on 17<sup>th</sup> September, 2015, from Rupees Two Crores (Rs.2,00,00,000/-) divided into Twenty Lacs (20,00,000) Equity Shares of Rs.10/- each to Rupees Six Crores (Rs.6,00,00,000/-) divided into Sixty Lacs (60,00,000) Equity Shares of Rs.10/- each.

#### **EXTRACTS OF THE ANNUAL RETURN**

As per Section 92(3) of The Companies Act, 2013, read with Rule 12 of The Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of the Company in Form No. MGT-9 is attached to this report as 'Annexure-6'.

#### **DEPOSITS**

The Company has not accepted any Deposits hence the particulars relating to the aforesaid are not applicable.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant, material orders passed by the regulators or courts or tribunal which would impact the going concern status of the Company and its future operations.

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

There are no employees who were in receipt of remuneration as specified in Sec. 197(12) of the Companies Act, 2013.

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

The Company has in place, an Anti-sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention & Redressal) Act, 2013.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment if any. All employees (Permanent, Contractual, Temporary, Trainees) are covered under this policy. There were no complaints received from any employee during the financial year 2015-16 and hence no complaint is outstanding as on 31.03.2016 for redressal.

**MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION**

There have been no material changes and commitments which have occurred between the end of Financial Year and the date of this report which can have impact on financial position of the Company.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has in place adequate Internal Financial Control Systems & other internal control procedures commensurate with the size of the company and the nature of its business to ensure proper recording of financial & operational information and compliance of various statutory compliances.

**SUBSIDIARIES JOINT VENTURES AND ASSOCIATES**

M/s. Raj Power Parts & Engg. Co. Pvt. Ltd. is an Associate Company of the Company and the Company holds 49.34% stake in the aforesaid company.

There are no Subsidiaries or Joint Venture Companies of the Company.

**ANNUAL REPORT ON CSR ACTIVITIES**

As required by the Companies (Corporate Social Responsibility Policy) Rules, 2014 the annual report on CSR activities undertaken by the Company during the year under review is attached as 'Annexure-7' to this Directors Report.

**BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Nomination & Remuneration Committee has carried out an Annual Performance evaluation of the Board, its Committees and the Directors individually.


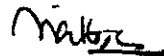
**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for the co-operation and support extended by various Government Departments, Bankers etc.

By order of the Board  
For KPL EXPORTS PVT.LTD.

Place: Kanpur

Date: 19<sup>th</sup> May, 2016

  
✓ (DEEPAK KOTHARI) (MITESH KOTHARI)  
D.K. DIRECTOR DIRECTOR  


**Secretarial Audit Report**  
For the Financial year ended 31<sup>st</sup> March 2016

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

To,  
The Members of  
KPL Exports Private Limited,  
Pan parag House, 24/19, The Mall,  
Kanpur—208001 U.P.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KPL Exports Private Limited (U74900UP2008PTC035118) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the KPL Exports Private Limited, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the



audit period covering financial year ended on 31<sup>st</sup> March 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by KPL Exports Private Limited ("The Company" is 100 % subsidiary of Kothari Products Limited, a Listed Company) for the period ended on 31<sup>st</sup> March 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder; (Not Applicable to the Company);
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (Not Applicable to the Company);
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company);
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-





- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company);
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not Applicable to the Company);
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company);
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock option purchase Guidelines, 1999 (Not Applicable to the Company);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company);
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company);



VI. All other relevant laws applicable to the Company as per the list provided by the management. The examination and reporting on those laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

**I further report that**

The Board of Director of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no Changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and details notes on agenda were sent in advance in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



Decisions at the Board meeting and committee meetings were carried through on the basis of majority as recorded in the minutes of the meetings. As represented by the Management, there were no dissenting views by any member of the Board of Directors or committee of the Board as the case may be during the period under review. Company Secretary was appointed pursuant to the provisions of Section 203 of the Act.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me generally there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no specific events / actions such as public issue of securities, buy back, merger, amalgamation etc. Authorized share capital was increased from Rupees Two Crores to Rupees Ten Crore. Company has issued and allotted forty lacs equity shares of Rupees ten each at a premium of Rupees two hundred fifty per share on right basis (Rights offer from 16/08/2015 to 31/08/2015) to existing shareholders (Kothari Products Limited, holding Company and its six nominees) and the amount was received through normal banking channel and kept in existing current account of the Company.

for Gupta Saurabh & Associates  
Company Secretaries



*Saurabh Gupta*  
Saurabh Gupta

FCS No. 5468 C P No. 4910

Place : Kanpur

Date : May 19, 2016

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

To,  
The Members of  
KPL Exports Private Limited,  
Pan parag House, 24/19, The Mall,  
Kanpur—208001 U.P.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.



6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for Gupta Saurabh & Associates  
Company Secretaries

Place : Kanpur  
Date : May 19, 2016



*Saurabh Gupta*

Saurabh Gupta

FCS No. 5468 C P No. 4910

## **Annexure-2 To The Directors' Report**

<p style="text-align: center;"><b><u>CORPORATE SOCIAL RESPONSIBILITY POLICY</u></b> <b><u>OF</u></b> <b><u>KPL EXPORTS PVT.LTD.</u></b></p>
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1. **Introduction**

The Board of Directors ("The Board") of KPL Exports Pvt. Ltd.(hereinafter referred to as the Company)has adopted the following policy and procedures with regard to Corporate Social Responsibility. The Board may review and amend this policy from time to time subject to recommendations of Corporate Social Responsibility committee.

2. **Policy Objective**

The Company is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

3. **Principles**

The Corporate Social Responsibility activities of the Company will be implemented in accordance with the following principles :

- Businesses should respect, protect and make efforts to restore the environment.
- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Businesses should respect and promote human rights.
- Business should work towards equal development of society.
- Business should respect cultural ethnicity and dignity of individuals and foster positive relationship with the people in the areas where the Company operates.
- Business should provide development opportunities to local communities in a culturally appropriate manner, in consultation & cooperation with local government authorities and other stakeholders, as may be appropriate.
- Business should endeavor to develop local entrepreneurship and encouraging use of local goods, services and manpower to promote inclusive economic growth of local areas.

4. **Scope of Corporate Social Responsibility Activities**

In line with the broad principles defined above, the Company would have freedom and flexibility to choose from any of the activities specified in Annexure 1. The Corporate Social Responsibility projects and programs to be undertaken by the Company shall include activities falling within the purview of schedule VII of Companies Act, 2013; as amended from time to time. Thus, with any change in the statutory provisions governing the activities, the Annexure 1 shall be deemed to include/exclude such activities as permissible under law.

The list and implementation modalities may be modified from time to time, as per recommendations of the Corporate Social Responsibility Committee of the Company.

The surplus, if any, arising out of Corporate Social Responsibility initiatives of the Company shall not form part of its business profits and shall be utilized for Corporate Social Responsibility activities only.

5. **Corporate Social Responsibility Implementation**

The Corporate Social Responsibility Committee will be responsible for overseeing the approval, execution, implementation and monitoring of the projects.

These projects will be executed by the Company and where appropriate in partnership with local government, various NGO partners, service providers and others.

In case the Company undertakes to carry any of the projects through any trust, society or company not established by the Company or its holding or subsidiary or associate company, the Corporate Social Responsibility Committee shall ensure that such trust, society or company has an established track record of three years in undertaking similar programs or projects and is eligible to undertake the projects under section 135 of the Act.

6. **Corporate Social Responsibility Budget**

The Corporate Social Responsibility Committee under the supervision of the Board shall try to ensure that the Company spends in each Financial Year (FY), at least two per cent of the average net profit (calculated as per section 198 of the Act) made during the three immediately preceding Financial years (Corporate Social Responsibility Budget).

If the company is unable to spend the prescribed 2% of its average net profit as mentioned above, the committee will review the reasons for the same and place the same with justification to the Board.

The Company will report reasons for not spending the entire Budget outlay for Corporate Social Responsibility allocated in any financial year. The unutilized fund would remain part of the corpus and get carried forward for the next year for expenditure thereon. The Company has to provide reason for not spending such amount in that financial year. Further, it will not dilute the fund allocation requirement for such next financial year.

To comply with the obligations, the Corporate Social Responsibility Committee may also decide to contribute amount of Corporate Social Responsibility Budget, either wholly or partially towards Corpus of any foundation provided under Schedule VII (as amended from time to time) as may be approved by the Board.

7. **Targets and Performance measures**

To ensure effective implementation, the Committee will set measurable targets for each Corporate Social Responsibility project and Funds for such projects.

8. **Corporate Social Responsibility Committee**

The Company has constituted Corporate Social Responsibility Committee (CSR Committee) as per Companies Act, 2013 and other applicable provisions, if any, of any other act, as may be applicable, for the time being in force. Corporate Social Responsibility Committee is responsible for overall supervision of Corporate Social Responsibility activities as may be carried out by the Company.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Composition of the Corporate Social Responsibility Committee of KPL Exports Pvt. Ltd. is as under:

1.	Sri Deepak Kothari	Chairman
2.	Sri Pramod Kumar Tandon	Member
3.	Sri Mitesh Kothari	Member

9. **Monitoring Activities**

The Corporate Social Responsibility projects shall be monitored by the Corporate Social Responsibility Committee as follows :

The Corporate Social Responsibility Committee will be monitoring the Corporate Social Responsibility Policy on half yearly basis and among other agenda shall consider the following :

- Monitoring the utilization of funds towards approved Corporate Social Responsibility Activities.
- Define and review targets for the Corporate Social Responsibility commitments and performance measures.
- Evaluate actual Corporate Social Responsibility performance and impact such activities are making on the people, society and environment.
- Corrective measures to be taken to rectify deviations (if any)

The members of the Corporate Social Responsibility Committee (and specifically the Committee Chairman) may also undertake the following activities, whenever it deems necessary for effective discharge of its responsibilities :

- Field visits to Project / Programme sites;
- Interaction with beneficiary communities to obtain feedback;

Review of Policy

- The Corporate Social Responsibility policy will be reviewed periodically by the Corporate Social Responsibility Committee of the Company.

10. **Documentation, reporting and disclosures**



As part of compliance to the Act, and in preparation of the Annual Corporate Social Responsibility Report as per Reporting Format, the Company will ensure the following :

1. All Corporate Social Responsibility Projects/Programmes are comprehensively documented.
2. All appropriate MIS are maintained, in a suggestive template.
3. Accountability is fixed at every level of the Corporate Social Responsibility process and the implementation apparatus.

11. **Disclosure in the Annual Report of the Company**

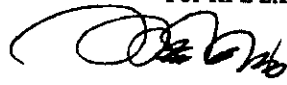

The details about the policy developed and implemented by the Company on Corporate Social Responsibility, initiatives taken during the year and details of Corporate Social Responsibility Budget spent during the financial year shall be disclosed in the Annual Report of the Company.

This policy shall be subject to amendments under the Companies Act, 2013 or any other applicable law or regulation.

By order of the Board  
For KPL EXPORTS PVT.LTD.

Place: Kanpur

Date: 19<sup>th</sup> May, 2016

  
✓ (DEEPAK KOTHARI) (MITESH KOTHARI)  
DIRECTOR DIRECTOR  
OK 

Annexure 1

**Corporate Social Responsibility Activities as provided in Schedule VII**


- i. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. contribution to the Prime Minister's National Relief Fund or any other-fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- x. rural development projects.
- xi. slum area development.

Explanation - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

By order of the Board  
For KPL EXPORTS PVT.LTD.

Place: Kanpur

Date: 19<sup>th</sup> May, 2016

  
✓ (DEEPAK KOTHARI) (MITESH KOTHARI)  
DK DIRECTOR DIRECTOR

## **Annexure -3 To The Directors' Report**

<p style="text-align: center;"><b>KPL EXPORTS PRIVATE LIMITED</b> <b><u>Nomination and Remuneration Policy</u></b></p>
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This Nomination and Remuneration Policy (the "Policy") applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of **KPL Exports Private Limited** (the "Company").

### **1. Definitions**

"Director" means a director appointed to the Board of a company;

"Independent Director" shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Clause 49 of the Listing agreement; as amended from time to time.

"Key Managerial Personnel (KMP) means—

- i. Chairman & Managing Director;
- ii. Company Secretary,
- iii. Whole-time Director;
- iv. Chief Financial Officer; and
- v. Such other Officer as may be prescribed.

"Managing Director" means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

Explanation—For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;

The term "Senior Management Personnel" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads. In reference to the company, the senior management personnel would refer to personnel occupying the positions identified in **Annexure A**; as per the organizational framework of the Company.

"Whole-time director" includes a director in the whole-time employment of the company; Words and definitions not defined herein, shall have the same meaning as provided in the Companies Act, 2013 read with relevant rules and the Clause 49 of the Listing agreement or other relevant provisions; as may be applicable.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement; as amended from time to time.

## **2. Purpose**

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management Personnel. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management Personnel. The objectives of the policy thus would be:-

To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Key Managerial and Senior Management positions and to determine their remuneration.

To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.

To establish framework for evaluation of the performance of Directors including Independent Directors, Committees and Board.

To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

To devise a policy on Board diversity

## **3. Accountabilities**

The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.

The Board has delegated responsibility for assessing and recommending the candidates for the role of Directors, Key Managerial Personnel and laying down the criteria for selection of the Senior Management Personnel of the Company to the Nomination and Remuneration Committee which makes recommendations to the Board.

## **4. Nomination and Remuneration Committee – Composition & Structure**

The Nomination and Remuneration Committee comprises the following:

The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

Minimum two (2) members shall constitute a quorum for the Committee meeting.

Membership of the Committee shall be disclosed in the Annual Report.

Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

Chairman of the Committee shall be an Independent Director.

Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

Chairman of the Nomination and Remuneration Committee meeting or any other person authorized by him shall be present at the Annual General Meeting. The Chairman may also nominate some other member to answer the shareholders' queries.

#### COMMITTEE MEMBERS' INTERESTS

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee

#### VOTING

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

#### **5. Nomination and Remuneration Committee – Responsibility**

The Nomination and Remuneration Committee is responsible for:

reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

identifying individuals suitably qualified to be appointed as the Executive Directors, Independent Directors, the KMPs and Senior Management Personnel for the Company;

recommending to the Board on the selection of individuals nominated for directorship;

formulating the criteria for determining qualification, positive attributes and recommending to the Board a policy relating to the remuneration for Executive Directors, Key Managerial Personnel and other employees.

assessing the independence of independent directors, so as to ensure that the individual meets with the requirement prescribed under the Companies Act, 2013 read with Clause 49 of the Listing Agreement;

such other key issues/matters as may be referred by the Board or as may be necessary in view of the Listing Agreement and provision of the Companies Act 2013 and Rules thereunder.

to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an

Executive Director as an employee of the Company subject to the provision of the law and their service contract

to devise a policy on Board diversity;

to develop a succession plan for the Board and to regularly review the plan;

lay down criteria for evaluation of the individual Directors, Committees and Board as a whole

## **6. Positive Attributes and qualifications of Directors/KMPs/Senior Management Personnel**

When recommending a candidate for appointment, the Nomination and Remuneration Committee will have regard to the following qualifications and positive attributes:

assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, industry experience, background and other qualities required to operate successfully in the position;

the extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company; in case of KMPs and Senior Management Personnel their contribution towards effectiveness of the organization as a whole would be considered ;

the nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

ability of the appointee to represent the company

ability to work individually as well as a member of the Board and senior management

influential communicator with power to convince other in a positive way;

ability to participate actively in deliberation and group processes;

have strategic thinking and facilitation skills;

act impartially keeping in mind the interest of the company on priority basis;

Personal specifications:

- Educational qualification;
- Experience of management in a diverse organization;
- Interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;

## **7. Independence of a Director**

The key role of an Independent Director is to provide an unbiased, varied and experienced perspective to the Board. While evaluating the candidature of a Director, the committee abides by the criteria for determining Independence as stipulated under Companies Act 2013, Listing Agreements and other applicable regulations or guidelines.

The committee takes a broad perspective with respect to Independence and takes into consideration not only the dealings, transactions, relationships with the concerned Individual Director but also with relatives, entities and organizations affiliated to it.

The Committee, along with the Board, regularly reviews the skill, characteristics required from the Board & Individual Directors. One of the prime objectives of this exercise is to identify competency gaps in the Board and make suitable recommendations. The objective is to have a board of diverse background and experience in business, technology, governance and areas that are relevant for the company.

Besides considering all other qualifications w.r.t to talent, relevant professional experience, proven track record of performance and achievement, ethics and integrity, ability to bring in fresh and independent perspectives, the Committee objectively evaluates whether an individual can dispassionately discharge the statutory functions of a Director as enshrined in the Companies Act 2013 and Listing Agreement.

## **8. Board Diversity**

The Board shall consist of such number of Directors including at least one woman Director as is necessary to effectively manage the Company of the size of KPL Exports Private Limited. The Board shall have an appropriate combination of executive and Independent Directors.

The Nomination & Remuneration Committee will lead the process for Board appointments. All Board appointments will be based on meritocracy in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board. The Company believes that increased diversity in Board is associated with better financial performance, greater innovation and has a positive impact on the Company.

## **9. Letters of Appointment**

Each Director including Executive Directors, Independent Directors and the KMPs, Senior Management Personnel are required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

The term/tenure of the Directors including Executive Directors and Independent Directors shall be in accordance with the applicable laws

## **10. Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel**

The Committee will determine individual remuneration packages for Directors and lay down criteria for deciding upon the remuneration of KMPs and Senior Management of the

Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

The core factors taken into consideration are:

Industry Practice and Bench marks;

Long-term value creation.

Reward achievement of results on the basis of prudent practice, responsibility and risk taking abilities.

Attract and retain and motivate the best professionals.

Reward the experience and professional track record.

Ensure equity within the Group and competitiveness outside it.

Ensure transparency in its remuneration policy

### **For Executive Directors (Managing Directors and Whole time Directors)**

Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.

The Company with the approval of the Shareholders and Central Government may authorize the payment of remuneration exceeding eleven percent of the net profits of the company, subject to the provisions of Schedule V.

The Company may with the approval of the shareholders authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such officer.

### **For Non-Executive Directors**

The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.

Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.

The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members.

The sitting fee to the Independent Directors & Woman Director shall not be less than the sitting fee payable to other directors.



**General:-**

The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.

The remuneration payable to Directors shall be subject to the approval of Shareholders, if required, as per the provisions of applicable laws.

The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.

The Company may opt for Directors including independent directors & Officers Liability Insurance, in accordance with the policy.

Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**For Key Managerial Personnel and Senior Management Personnel**

The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as per the criteria decided by the Committee having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

**For other employees**

The policy for determination of the remuneration of employees other than Directors, KMPs and Senior Management personnel shall be as per the normal process followed by the Company.

**11. Evaluation/ Assessment of Directors of the Company**

The committee shall undertake a formal and rigorous annual evaluation of the Board, including its committees and individual directors. The evaluation of performance of the Board shall be independent and objective and should take into account the overall impact of their functioning on the company and its stakeholders. Besides the performance evaluation of individual directors, evaluation of the performance of the committees and the Board as a whole is also required to be conducted. The performance evaluation shall be undertaken on yearly basis, starting from financial year 2014-15, the schedule of which may be laid down by the Committee.

The committee is required to establish mechanism for Performance Evaluation & Assessment of the Directors including the Independent Directors. The evaluation/assessment of the Directors of the Company is to be conducted on an annual basis to cater to the requirements of the Companies Act 2013 and the requirements of the Listing Agreement. The following criteria may assist in determining how effective the performances of the Directors have been:

Leadership Qualities Contributing to corporate objectives & plans  
Communication of expectations & concerns clearly with colleagues  
Obtain adequate, relevant & timely information from external sources.  
Review & approval achievement of strategic and operational plans, objectives, budgets  
Regular monitoring of corporate results against projections  
Identify, monitor & mitigate significant corporate risks  
Assess policies, structures & procedures  
Effective meetings  
Assuring appropriate board size, composition, independence, structure  
Clearly defining roles & monitoring activities of committees  
Review of organization's ethical conduct

A series of assessment questionnaire to enable such evaluation being conducted shall be finalized by the Committee. Once the assessment is completed, the Committee shall evaluate such assessments. The Company may engage external consultants / agencies to provide assistance in the evaluation process.

#### **Performance Review by Independent Directors**

In accordance with the mandate given under Companies Act 2013 & Clause 49 of the listing agreement, Independent Directors will hold at least one separate meeting without the attendance of non-independent directors and members of management starting from the financial year 2014- 15 onwards.

The meeting shall:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Performance of the respective Committees shall be done by the Board. The performance evaluation shall be undertaken on yearly basis, starting from financial year 2014-15, the schedule of which may be laid down by the Committee.

#### **12. Succession Planning**

The Company recognizes the need of a formal, proactive process which can assist in building a leadership pipeline/talent pool to ensure continuity of leadership for all critical positions. Succession planning involves assessment of challenges and opportunities facing the company, and an evaluation of skills and expertise that would be required in future.

The nomination and remuneration committee will work with the Board to develop plans and processes for orderly succession to the board and senior management. The Committee shall endeavor to develop a diverse pool of candidates who may be considered to fill the gap in Board positions or senior management in case of any eventuality. The committee would ensure that the Company is prepared for changes in senior management, either planned or unplanned.

Succession Planning Process would cover identification of internal candidates, development plans for internal candidates, and identification of external candidates. The Committee would also assist in formulating an emergency succession contingency plan for unforeseen events like death, disability etc. The Board will periodically monitor the review and monitor the succession planning process.

### 13. Review of the policy

This Policy shall be reviewed by the Nomination and Remuneration committee on annual basis (unless an earlier review is required) to ensure that it meet the requirements of latest market requirements and trends and the Nomination and Remuneration committee shall make recommendations to the Board on required amendments.

Place: Kanpur

Date: 19<sup>th</sup> May, 2016

For KPL EXPORTS PVT.LTD.

By order of the Board



(DEEPAK KOTHARI)  
DK DIRECTOR

(MITESH KOTHARI)  
DIRECTOR


**Annexure 'A'**  
**Senior Management position as defined in section 178 of the Companies Act 2013**  
**(other than KMPs and WTDs):**

Information under this head is NIL

By order of the Board  
For KPL EXPORTS PVT.LTD.

Place: Kanpur

Date: 19<sup>th</sup> May, 2016

  
✓ (DEEPAK KOTHARI) (MITESH KOTHARI)  
D.K. DIRECTOR DIRECTOR

VIGIL MECHANISM / WHISTLE BLOWER POLICY  
KPL EXPORTS PVT. LTD

1. PREFACE

1.1 Section 177 of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 requires every listed company, companies which accept deposits from the public and companies which have borrowed money from banks and public financial institutions in excess of fifty crore rupees to establish a vigil mechanism for the directors and employees to report genuine concerns or grievances about unethical behavior, actual or suspected fraud, or violation of the Company’s code of conduct or ethics policy. Such a vigil mechanism shall provide for adequate safeguards against victimization of directors and employees and also make provisions for direct access to the chairperson of the Audit Committee in exceptional cases.

1.2. In compliance of the above requirements, M/s KPL Exports Pvt. Ltd., being an Unlisted Company which have borrowed money from banks and public financial institutions in excess of fifty crore rupees has established a “Vigil Mechanism/Whistle Blower Policy” for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the company’s code of conduct.

2. POLICY OBJECTIVES

2.1.The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

2.2.This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations against people in authority and / or colleagues in general.

3. SCOPE OF THE POLICY

3.1. This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of

which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

4.

#### DEFINITIONS

4.1. "Alleged wrongful conduct" shall mean violation of law, Infringement of Company's rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority".

4.2. "Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013.

4.3. "Board" means the Board of Directors of the Company.

4.4. "Company" means the KPL Exports Pvt. Ltd..

4.5. "Code " means Code of Conduct for Directors and Senior Management Executives adopted by KPL Exports Pvt. Ltd.

4.6.

"Employee " means all the present employees and whole time Directors of the Company (Whether working in India or abroad).

4.7. "Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which discloses or demonstrates information about an unethical or improper activity under the title "SCOPE OF THE POLICY" with respect to the Company. It should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

4.8. "Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

4.9. "Vigilance Officer" means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

4.10. "Whistle Blower" is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

#### 5. ELIGIBILITY

All Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

## 6. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES.

### 6.1.

All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English or Hindi.

### 6.2.

The Protected Disclosure should be submitted in a closed and secured envelope and should be superscribed as "Protected disclosure under the Whistle Blower policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". If the complaint is not superscribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Vigilance officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer. The Vigilance Officer shall assure that in case any further clarification is required he will get in touch with the complainant.

### 6.3.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

### 6.4.

The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The Vigilance Officer /Chairman of the Audit Committee as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

### 6.5.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Vigilance officer is as under:-

Name and Address - Shri Anurag Tandon,

Kothari Products Limited,

C/62, Vibgyor Tower

9<sup>th</sup> Floor, Bandra Kurla Complex

Bandra East

Mumbai- 400051

E-mail- [anuragtandonca@gmail.com](mailto:anuragtandonca@gmail.com)

Phone No.: 022-43119000

6.6 Protected Disclosure against the Vigilance Officer should be addressed to the Chairman of the Audit Committee. The contact details of the of the Chairman of the Audit Committee is as under:

Name and Address of the Chairman of the Audit Committee

Sri Deepak Kothari

KPL Exports Pvt. Ltd.

'Pan Parag House', 24/19 The Mall

Kanpur – 208 001

Email- [deepakkothari@panparag.com](mailto:deepakkothari@panparag.com)

Phone no.: [0512-2312171](tel:0512-2312171)

6.7. On receipt of the protected disclosure the Vigilance Officer / Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

- a) Brief facts;
- b) Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;
- c) Details of actions taken by the Vigilance Officer for processing the complaint
- d) Findings of the Audit Committee
- e) The recommendations of the Audit Committee/ other action(s).

6.8 The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

## 7. INVESTIGATION

### 7.1.

All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.

7.2. The decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact finding process.

7.3. Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.

### 7.4.

Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.



7.5.

Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.

7.6.

Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

7.7. Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

7.8. Subject(s) have a right to be informed of the outcome of the investigations.

7.9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

## 8. DECISION AND REPORTING

8.1. If an investigation leads the Vigilance Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance Officer / Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

8.2. The Vigilance Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

8.3. In case the Subject is the Chairman and Managing /CEO of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

8.4. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance Officer or the Audit

Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

**9. SECRECY / CONFIDENTIALITY**

9.1.The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:


9.1.1.Maintain confidentiality of all matters under this Policy

9.1.2.Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.

Place: Kanpur

Date: 19<sup>th</sup> May, 2016

By order of the Board  
For KPL EXPORTS PVT.LTD.

  
✓ (DEEPAK KOTHARI) (MITESH KOTHARI)  
DK DIRECTOR DIRECTOR

## **Foreign Exchange Risk Management Policy and Procedures**

### **I. STATEMENT OF PURPOSE :**

The purpose of this policy is to establish parameters for Kothari Products Limited governing the management of foreign currency exposures. Kothari Products Limited (KPL) is exposed to foreign currency rate fluctuations in the normal course of its business. A portion of our revenue, expense, capital and Trading / Business activities are transacted in foreign currencies.

The objective of currency management is to minimize, to the extent possible, any effect the fluctuation in foreign exchange rates on Kothari Products earnings or fair values of assets and liabilities, without exposing Company to any risks associated with transactions, which could be regarded as speculative.

Foreign currency risk management covers the identification of currency exposures, risk measurement and the actions employed to mitigate such risks. Currency risk mitigation entails cash flow management or utilizing hedging instruments to protect against volatility of earnings or the Indian Rupee (INR) equivalent of cash flows associated with changes in foreign exchange rates.

### **II. SCOPE**

This policy applies to Kothari Products Limited and its Subsidiaries (hereinafter referred to as "the Company").

### **III. POLICY GUIDELINES**

Company will Book the Foreign Currency Exposure as per the Given Guidelines of FEMA and RBI Master Circular on Risk Management and Inter Bank Dealing (RBI/2014-15/12 Master Circular No.5/2014-15).

1. The Company uses derivative instruments, primarily forward contracts, to hedge foreign currency exposures. Other hedging instruments such as plain vanilla options, risk reversals and participating forwards will be used only in special circumstances as approved. The maturity of such instruments should be no longer than one year.

