



KOTHARI
PRODUCTS LIMITED

33rd annual report
2016-17

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Cautionary Statement

Statements in this annual report describing the company's objectives, projections, estimates and expectations may be forward looking statements with in the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the international trade, exchange rate fluctuations, significant changes in economic environment, slow down in infrastructure sector etc.

BOARD OF DIRECTORS

Chairman & Managing Director

DEEPAK KOTHARI

Executive Director

MITESH KOTHARI

Directors

DR. AVINASH GUPTA
PRAMOD KUMAR TANDON
VIKAS CHATURVEDI
POONAM ACHARYA

CS & Compliance Officer

RAJ KUMAR GUPTA

Chief Financial Officer

ANURAG TANDON

AUDITORS

MEHROTRA & MEHROTRA
Chartered Accountants
16/49, Civil Lines,
Kanpur - 208 001.

REGISTERED OFFICE & SECRETARIAL DEPARTMENT

“Pan Parag House”, 24/19, The Mall, Kanpur -208 001
Visit us on internet at : <http://www.kothariproducts.in>
E - mail : info@kothariproducts.in, kothari@kothariproducts.in
Ph. Nos. (0512) 2312171 - 74, Fax No. (0512) 2312058

INVESTORS' GRIEVANCE E-MAIL ID

rk Gupta@kothariproducts.in

AUDIT COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DEEPAK KOTHARI
DR. AVINASH GUPTA
VIKAS CHATURVEDI

STAKEHOLDERS RELATIONSHIP COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DEEPAK KOTHARI
MITESH KOTHARI
DR. AVINASH GUPTA

NOMINATION & REMUNERATION COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DR. AVINASH GUPTA
VIKAS CHATURVEDI

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DEEPAK KOTHARI
DR. AVINASH GUPTA

RISK MANAGEMENT COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

VIKAS CHATURVEDI
DR. AVINASH GUPTA
DEEPAK KOTHARI

II ALIVE IN OUR MEMORIES FOREVER II



KARMA YOGI M. M. KOTHARI
Our Founder Chairman
(25th July 1925 – 27th November 2015)

“The soul never takes birth and never dies at any time nor does it come into being again when the body is created. The soul is birth less, eternal, imperishable and timeless and is never destroyed when the body is destroyed.”



Chairman's Message

Dear Fellow Share Owners,

I have the privilege of leading and nurturing this organization for last more than 3 decades and it has been an exhilarating journey.

At the outset I reiterate that we at KPL continually strive to enhance value for investors. We have a principle of providing consistent pay out to investors by way of Dividends or incremental Capital in the interest of building long term stake holder value.

We always believe that growth opportunities are immense for those who make a successful transition to the new business models and align into new ways of working with continuity.

It is with a sense of pride that I write to you that your Company has once again registered a sustained growth in terms of Profits and operations are satisfactory looking to the overall environment. Yet again,

showing financial prudence and conservative approach, your Directors have recommended a sustainable same dividend this year as well.

“One Nation One Tax” is the reality of the day ! GST implementation inter- alia, shows the maturity and political will to take series of unprecedented steps towards economic reforms by the current dispensation at the centre. These historic steps shall change the perception to do business all over. Although, in the short term, domestic economic growth showed some pressure but not to such extent as was anticipated. In view of benign inflation, stable interest rates and by and large stable crude oil prices etc. these initiative will definitely accelerate the economic growth and investment environment in the country. Enactment of RERA will also give impetus to the Real estate sector growth especially to the actual consumer.

Last year I discussed about the uncertain International economic scenario, we are still at the cross-roads. Period under review witnessed a fast changing political narratives across the globe, although we witnessed a less volatile currency market, future challenges still exist. The geo political environment remained fluid but horizon is looking to be bright due to pick up in Global economic activity with a long-awaited cyclical recovery in investment, manufacturing and trading, the confidence and market sentiment remain strong, growth could indeed surprise on the upside.

Your Company has continued to be a purposeful contributor in our communities through its various CSR initiatives to uplift the deprived society through social programs. We are dedicated for providing quality education and empowering the elders of our society by undertaking projects of educational institutions & old age care centres and have spent ₹ 1.43 cr. in the financial year under review.

I would like to extend my gratitude to all the stake holders including consortium of Banks lead by Allahabad Bank for their continued support and faith in us. I would also like to thank entire TEAM and my fellow colleagues on the board for their valuable support and guidance.

In the end I may say that in view of the bold initiatives for economic reforms, we are witnessing a resurgent India.

With best wishes

Yours truly,

A handwritten signature in blue ink, appearing to read 'Deepak Kothari', with a stylized flourish at the end.

Deepak Kothari

Place : Kanpur

Dated : 29th July, 2017

NOTICE:

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of Kothari Products Limited will be held on Friday, the 22nd September, 2017 at Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave-3, Kanpur at 11:30 A.M., to transact the following businesses:-

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements (including Audited Consolidated Financial statements) of the Company for the financial year ended 31st March, 2017 and the Reports of the Directors' and Auditors' thereon.
2. To declare Dividend for the aforesaid financial year.
3. To appoint a Director in place of Sri Mitesh Kothari (DIN: 00089076), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of The Companies Act, 2013 and the Rules made thereunder, as amended from time to time, pursuant to the proposal of the Audit Committee and recommendation of the Board, M/s Rajiv Mehrotra & Associates, Chartered Accountants, Kanpur (F.RN. 002253C) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company subject to ratification of their appointment at every Annual General Meeting on such remuneration as may be decided by the Board of Directors in consultation with the Auditors.”

Regd. Off :
'PAN PARAG HOUSE'
24/19, THE MALL
KANPUR – 208 001

DATE : 22nd July, 2017

By Order of the Board
for **KOTHARI PRODUCTS LTD.**

Sd/-
(RAJ KUMAR GUPTA)
CS & Compliance Officer

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY BUT ONE PERSON CAN REPRESENT AS PROXY FOR NOT MORE THAN 50 MEMBERS AND FOR MEMBERS HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. Proxies, in order to be effective must be completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxy form and attendance slip are enclosed in the Annual Report.
3. The Register of Members of the Company shall remain closed from Friday, 15th September, 2017 to Friday, 22nd September, 2017 (both days inclusive) in connection with the Annual General Meeting and for the purpose of Payment of Dividend, if declared, at the aforesaid meeting.

4. The Dividend for the year ended 31st March, 2017 as recommended by the Board, if approved by the members, will be paid to the physical members whose names appear in the Company's Register of Members on Thursday, 14th September, 2017 after giving effect to all the valid transfers as received by the Company or its Registrar & Share Transfer Agent on or before 14th September, 2017. In respect of the Shares held in electronic form, the dividend will be payable on the basis of their beneficial ownership as at the end of aforesaid date as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
5. THE MEMBERS HOLDING PHYSICAL SHARES ARE, IN THEIR OWN INTEREST, ADVISED TO SEND IMMEDIATELY REQUESTS FOR CHANGE OF ADDRESS AND BANK PARTICULARS, IF ANY, TO OUR REGISTRAR I.E. ALANKIT ASSIGNMENTS LTD., (UNIT : KOTHARI PRODUCTS LTD.) "ALANKIT HEIGHTS", 1E/13 JHANDEWALAN EXTENSION, NEW DELHI – 110 055, PHONE NOS. (011) 23541234 & 42541234 & FAX NO. (011) 41543474. HOWEVER, THE MEMBERS HOLDING DEMAT SHARES ARE ADVISED TO IMMEDIATELY INTIMATE THE CHANGE OF ADDRESS AND BANK DETAILS TO THEIR CONCERNED DEPOSITORY PARTICIPANTS.
6. Those Members who have not encashed/received their Dividend warrants for the financial years 2009-10 onwards may approach immediately the Secretarial Department at the Registered Office of the Company for revalidation of Dividend Warrants or for obtaining duplicate Dividend Warrants in lieu of the lost warrants. Pursuant to the Provisions of erstwhile Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.kothariproducts.in).
7. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 124 and 125 of The Companies Act, 2013 and Rules made thereunder and erstwhile sections 205A and 205C of the Companies Act, 1956, all Unclaimed/Unpaid dividend for a period of seven years from the date they became due for payment, were required to be transferred to the IEPF. Accordingly, all unclaimed/unpaid dividend, have to be transferred to the Investors Education & Protection Fund(IEPF) established by the Central Government.

As per Section 124(6) of the Act read with IEPF Rules as amended, all shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are also required to be transferred to an IEPF Demat Account.

The Company has sent notices to all the members whose Dividends are lying unpaid/unclaimed for seven consecutive years or more. Concerned Members are requested to claim the same immediately. In case the dividends are not claimed, necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice.

The unpaid Dividend amount relating to the Financial Years 1996-97, 1997-98, 1998-2000 (Interim), 1998-2000 (Final), 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-07, 2007-08 & 2008-2009 have been transferred to the aforesaid Investor Education & Protection Fund.

MEMBERS ARE AGAIN ADVISED TO NOTE THAT THE UNPAID DIVIDEND AMOUNT RELATING TO FINANCIAL YEAR 2009-10 WILL BE TRANSFERRED TO THE INVESTOR EDUCATION & PROTECTION FUND, AS PER THE PROVISIONS OF SEC.124(5) OF THE COMPANIES ACT, 2013 IN OCTOBER, 2017. THE DIVIDEND FOR THE AFORESAID YEAR SHALL BE PAID ONLY ON RECEIPT OF REQUEST AND SATISFACTORY COMPLIANCE OF THE REQUISITE PROCEDURE

8. Members desirous of getting any information at the meeting about the accounts and operations of the company are requested to send their query at the Registered office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
9. Section 72 of the Companies Act, 2013 has extended nomination facility to individuals holding shares in Companies. Shareowners, in particular, those holding shares as sole holder are advised to avail of the above facility in their own interest, by furnishing to the Company the particulars of their nominations. The prescribed

application form may be obtained by the shareowners from the Company's Secretarial Department at its Registered Office.

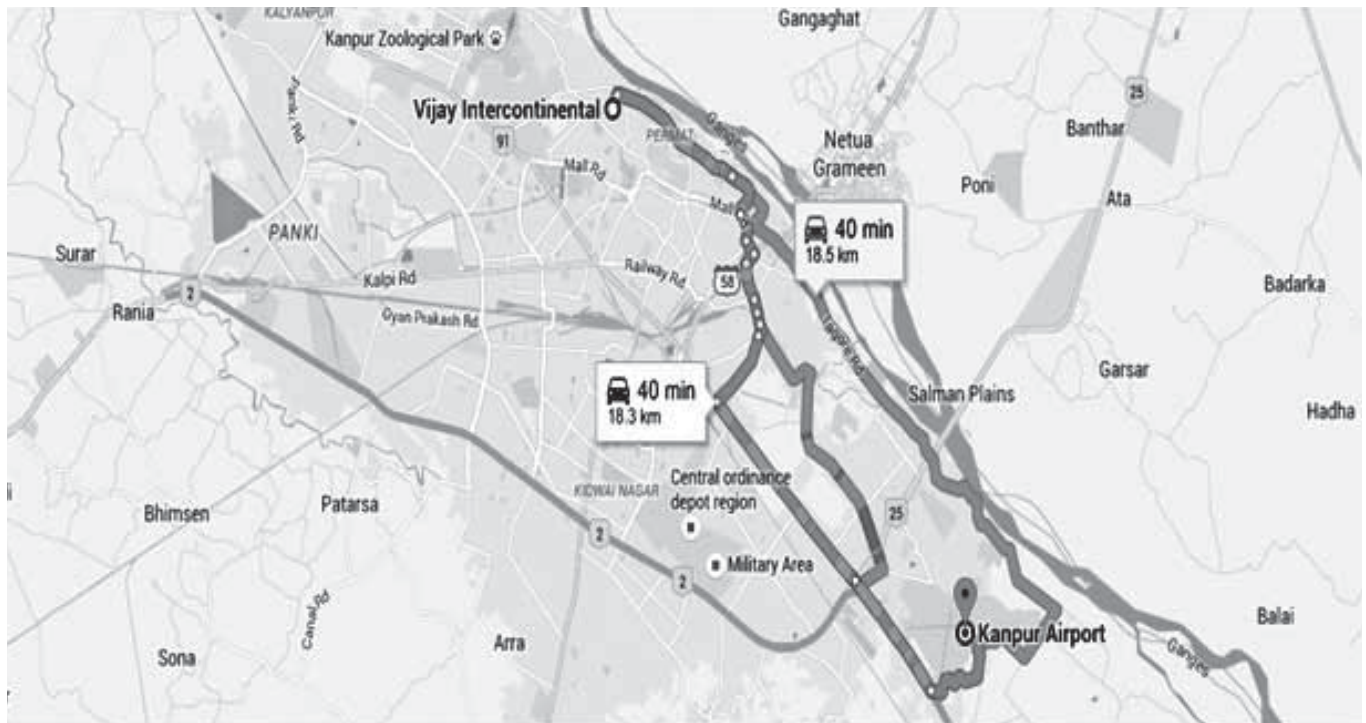
10. Members are requested to bring their copies of Annual Report at the meeting. Please note that no gifts will be distributed at the meeting.
11. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notices/documents including Annual Reports can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with our Registrar, Alankit Assignments Ltd., "Alankit Heights", 1E/13 Jhandewalan Extension, New Delhi – 110 055.
12. Even after registering for e-communication, the members are entitled to receive such communication/documents in physical form, upon making a request for the same, by post, free of cost.
13. In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of The Companies (Mangement and Administration) Rules, 2014, as amended, alongwith Regulation 44 of the SEBI (LODR) Regulations, 2015, the members have been provided with the facility to cast their votes electronically through the "remote e-voting" services provided by NSDL, on all the resolutions set forth in this Notice. The "remote e-voting" period commences on Tuesday, 19th September, 2017 (9:00 A.M. IST) to Thursday, 21st September, 2017 (5:00 P.M. IST). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on Friday 15th September, 2017 (being the cut-off date fixed by the Company for "remote e-voting"), may cast their votes electronically. The "remote e-voting" module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently. A Physical Ballot form is also being sent to the members alongwith the Annual Report. Members have option to vote either through "remote e-voting" or through the Physical Ballot form. If a member has opted for "remote e-voting" then he/she should not vote by Physical Ballot and also vice versa. However, in case members cast their votes both via Physical Ballot and "remote e-voting" then voting through "remote e-voting" shall prevail and voting done by physical ballot shall be treated as invalid. The instructions for "remote e-voting" and other details thereof are mentioned in the physical ballot form and "remote e-voting" form being sent to you alongwith the Annual Report and they form an integral part of this notice. The members who have cast their vote by "remote e-voting" prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only, shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through Ballot Paper.
15. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may obtain the user ID and Password by sending a request at evoting@nsdl.co.in or rta@alankit.com by mentioning their Folio No./DP ID and Client Id. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. 1800-222-990.
16. The Company has appointed Sri Adesh Tandon, a Practising Company Secretary of Kanpur as Scrutinizer to receive and scrutinize the completed physical ballot forms and votes cast electronically by the members. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.kothariproducts.in and on the website of NSDL www.evoting.nsdl.com within 3 days of passing the resolutions at the Thirty Third Annual General Meeting of the Company on Friday, 22nd September, 2017 and communicated to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited, where the shares of the Company are listed.

17. The Chairman shall, at the Annual General Meeting, at the end of discussions on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer by use of Ballot Paper for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
18. Pursuant to SEBI (LODR) Regulations, 2015, particulars of Director seeking re-appointment at this meeting are provided in the Corporate Governance Report forming part of the Annual Report.
19. The Securities & Exchange Board of India has notified that the shareholders/transferees of shares (including Joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including by transfer, transmission or any other Corporate Action. Accordingly, all the Physical shareholders/transferees of shares (including Joint holders) are requested to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including by transfer, transmission or any other Corporate Action.
20. All documents referred to in the accompanying notice shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 A.M. TO 6:00 P.M.) on all working days upto and including the date of the Annual General Meeting of the Company.
21. Annual Report and AGM Notice is available at the website of the Company at www.kothariproductions.in in the Investor Relation Section.

Route Map No. 1 To the Venue of 33rd Annual General Meeting



Route Map No. 2 to the Venue of 33rd Annual General Meeting



DIRECTORS' REPORT

TO THE MEMBERS:

The Board of Directors of your Company presents herewith its 33rd Annual Report and Audited Accounts for the financial year ended 31st March, 2017. The report also includes the Management Discussion and Analysis Report in accordance with the guidelines of Corporate Governance.

FINANCIAL PERFORMANCE:

	(Amount in ₹ Lacs)	
	FINANCIAL YEAR ENDED 31.03.2017	FINANCIAL YEAR ENDED 31.03.2016
Net Sales	419185	452545
Other Income	18844	13314
Profit Before Depreciation & Taxation	9709	8552
Less : Depreciation	159	169
Provision for Taxation:		
-Current Tax	2660	2626
-Deferred Tax	492	123
-Tax Adjustments for earlier years	-53	93
Profit After Tax	6451	5541
Add : Balance of Profit brought forward from previous year	39466	35517
Profit available for appropriation	<u>45917</u>	<u>41058</u>
APPROPRIATIONS		
Transfer to General Reserve	645	515
Interim Dividend Paid	0	895
Additional Tax on Interim Dividend Paid	0	182
Proposed Dividend	895	0
Additional Tax on Proposed Dividend	182	0
Balance of Profit carried forward	<u>44195</u>	<u>39466</u>
	<u>45917</u>	<u>41058</u>

2017 IN RETROSPECT

Your Directors are to report that the Company's sales turnover during the year under review has decreased to ₹ 419185 Lacs from ₹ 452545 Lacs during the previous financial year registering a decrease of 7.37%. The Profit before depreciation & tax during the year has however increased to ₹ 9709 Lacs as against ₹ 8552 Lacs in the previous year resulting in an increase of 13.53%. The Profit after Tax has also increased similarly to ₹ 6451 Lacs as against ₹ 5541 Lacs of the previous year resulting in an increase of 16.42%.

INTERNATIONAL BUSINESS:

The Company's export during the year under review has decreased to ₹ 315753 Lacs as compared to ₹ 393886 Lacs during the previous year resulting in decrease of 19.83%. The lower exports have been due to very competitive International Market, however at the same time Company has increased its business in the domestic market.

DIVIDEND RECOMMENDED

Your Directors have recommended a dividend of 30% (₹ 3/- Per Equity Share of ₹ 10/- each) subject to the approval of shareowners in the ensuing Annual General Meeting.

CHANGES IN SHARE CAPITAL

During the year under review there were no changes in the Share Capital of the Company.

SUBSIDIARIES AND ASSOCIATES

The Company has, as on 31st March, 2017 Six subsidiaries namely MK Web-Tech Pvt. Ltd., KPL Exports Pvt. Ltd. as its Wholly Owned Subsidiary Companies and Kothari Products Singapore Pvt. Ltd., Pinehills (Singapore) Pte. Ltd. (A wholly owned subsidiary of Kothari Products Singapore Pvt. Ltd.), Blackplinth Realtors Pvt. Ltd. & Savitrimata Realtors Private Limited as its Subsidiary Companies. During the year under review Sukhdham Constructions & Developers Ltd. & Riverview Land Developers Pvt. Ltd. have ceased to be the subsidiaries of the Company on 25th February, 2017 & 20th March, 2017 respectively. Further, the Company also has, as on 31st March, 2017, eight Associate Companies as mentioned in the notes of the Standalone Financial Statements of the Company. During the year under review M/s Raj Power Parts & Engg. Co. (Pvt.) Ltd. has become associate of the Company.

The prescribed salient features of the financial statements of the aforesaid subsidiary companies as per sub section 3 of section 129 of the Act have been disclosed in a separate statement attached to the consolidated Financial Statements which form part of this Annual Report. The statement reflects the performance and financial position of each of the subsidiaries, as required by Rule 8 (1) of the Companies (Accounts) Rules, 2014. The Company hereby undertakes that the Annual Accounts of the subsidiary companies and their related detailed information shall be made available to the shareowners of the holding and subsidiary companies seeking such information at any point of time and shall also be placed on the website of the holding Company. The Annual Accounts of the subsidiary companies shall also be kept for inspection by any shareowner at the Registered office of the holding company and of the subsidiary companies concerned.

INDIAN ACCOUNTING STANDARDS:

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), your Company is required to prepare financial statements under Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015) and Companies (Indian Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013, read with rule 7 of Companies(Accounts)Rules, 2014.

Accordingly the Company has adopted Indian Accounting Standard (“Ind AS”) with effect from 1st April, 2016 with the transition date of 1st April, 2015 and the financial statements for the year ended 31st March, 2017 has been prepared in accordance with Ind AS. The financial statements for the year ended 31st March, 2016 have been restated to comply with Ind AS to make them comparable.

The MCA notification also mandates that Ind AS shall be applicable to subsidiary Companies, Joint Ventures or Associates of the Company. Hence the Company has prepared and reported financial restatement of the opening balance sheet as at April 1, 2015.

The effect of the transition from IGAAP to Ind AS has been explained by way of an reconciliation in the Standalone Financial Statements and Consolidated Financial Statements.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sri Mitesh Kothari, Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. There is no change in the Key Managerial Personnel during the year.

NUMBER OF THE BOARD MEETINGS

The Company held Five Board Meetings during the year 2016-17 the details of aforesaid meetings are given in the Corporate Governance Report.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits from the public during the financial year 2016-17 hence the particulars relating to the aforesaid are not applicable.

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, 2017, 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.

COMMITTEES OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company has constituted following committees:-

1. Audit Committee.
2. Stakeholders Relationship Committee.
3. Nomination & Remuneration Committee.
4. Corporate Social Responsibility Committee.
5. Risk Management Committee

The Composition, Scope and Powers of the aforementioned Committees together with details of their meetings held during the period under review, forms part of the Corporate Governance Report.

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-1**' to this Directors Report.

POLICIES OF THE COMPANY

Pursuant to the provisions of the Companies Act, 2013 and provisions of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, the Company has framed following Policies:-

1. Corporate Social Responsibility Policy.
2. Nomination & Remuneration policy.
3. Risk Management Policy.
4. Whistle Blower Policy/Vigil Mechanism.
5. Policy on Material Subsidiaries.
6. Policy on Related Party Transactions.
7. Policy determining materiality of events/information.
8. Policy on code of Practices and Procedures for fair disclosure of Insider Trading.
9. Policy on Code of Business conduct & ethics.

The details of the aforesaid policies are mentioned in the Corporate Governance Report and copies of the aforesaid policies are placed on the website of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

Sri Pramod Kumar Tandon, Sri Vikas Chaturvedi and Dr. Avinash Gupta 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' REPORT

M/s Mehrotra & Mehrotra, Auditors of the Company have carried out the Audit of the Company and have submitted Auditor's Report attached with the Financial statements of the Company forming part of this Annual Report.

The report does not contain any qualification, reservation or adverse remarks which need explanation in the Director's report.

STATUTORY AUDITORS

As per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s Mehrotra & Mehrotra, Chartered Accountants, having held office as Auditor of the Company for a period of ten years before the commencement of the Companies Act, 2013, were eligible to be re-appointed as Auditors of the Company for a further period of three more years and were accordingly re-appointed by the members of the Company in its 30th, 31st & 32nd Annual General Meeting for a period of one year respectively. Accordingly the aforesaid Auditors hold office till the conclusion of the ensuing Annual General Meeting of the Company. And they are not eligible for re-appointment in the aforesaid Annual General Meeting.

The Board of Directors of the Company is examining the profiles of the several leading firms of Chartered Accountants and very soon it will finalize one of the aforesaid firms for being appointed as the new Auditors of the Company in the ensuing Annual General Meeting, in place of the aforesaid retiring Auditors. You will be informed of the name of the firm finalized by the Board through the notice of the ensuing Annual General Meeting wherein the resolution, for appointment of the aforesaid firm as Auditor of the Company, will be included for being passed by you in the ensuing Annual General Meeting of the Company.

SECRETARIAL AUDIT & ITS REPORT

As required by section 204 of The Companies Act, 2013, M/s Adesh Tandon & 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-2'.

The observation of the Secretarial Auditor regarding dematerialization of physical shareholding of only 4500 Shares (0.02% of the total capital of the Company) of one of the Promoters, after 31st March, 2017, was due to some technical reasons. The Board is of opinion that in view of the aforesaid shareholding being very meager hence the aforesaid observation is of very low significance.

LOANS GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under sec.186 of the Companies Act, 2013 form part of the financial statements provided in this Annual Report.

STOCK EXCHANGE LISTING & COMPLIANCE

The Shares of the Company are presently listed at Bombay Stock Exchange Ltd., Mumbai & National Stock Exchange of India Ltd., Mumbai and the Company is regularly complying with all the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

CORPORATE GOVERNANCE REPORT

A detailed Corporate Governance Report that also contains disclosures as per Section 134 and 177 of the Companies Act, 2013 is attached and forms part of this Annual Report.

A certificate from the statutory auditors of the Company regarding compliance with the conditions of Corporate Governance as required under SEBI (Listing Obligations & Disclosures Requirement) Regulations, 2015 is part of this Annual Report.

BOARD EVALUATION

Pursuant to provisions of the Companies Act, 2013 & SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual performance evaluation of its own performance, its committees and the Directors individually.

The evaluation of non-independent Directors, Chairman and the Board as a whole was done at a separate meeting held by independent Directors. The performance evaluation of independent Directors was done by the entire board, excluding Directors being evaluated.

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 complaint received from any employee during the financial year 2016-17 and hence no complaint is outstanding as on 31.03.2017 for redressal.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The information, as required under SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 is as under:-

a) INDUSTRY STRUCTURE AND DEVELOPMENTS

The Global Economy including both developed and emerging countries is showing signs of growth with improved market confidence, recovery in commodity prices and pickup in manufacturing and trade. Although the growth prospects face challenges like conflicts, Brexit, protectionist attitude of developed economies etc. Going Forward, global growth is projected to edge up but at a slower pace.

India is one of the fastest growing economy in the world and is expected to grow at a faster pace in the coming year on the backdrop of strong domestic consumption, policy reforms, and government spending on infrastructure.

In view of the aforesaid global & domestic scenarios the International Trading Industry shown an almost stagnant performance and is expected to grow in the coming years due to the various pragmatic initiatives of the Indian Government and expected revival of the Global Economy.

b) OPPORTUNITIES & THREATS

With the reform oriented and business friendly government at the center and India among the fastest developing economy of the world, the opportunities for the company appears to be endless. However the trading industry may face the risk of imposition of a ban on import/export of a commodity by the government of any country, decrease in consumer demand, price war among key competitors.

c) SEGMENT-WISE PERFORMANCE

The Real Estate etc divisions has shown improved performance as compared to Trading division. In trading division company's emphasis is on consolidation and diversification instead of expansion. The revenue of the Trading division during the year under review has been ₹ 428953 Lacs as compared to ₹ 463872 Lacs during the previous year and that of the Real Estate etc., has been ₹ 9076 Lacs as compared to ₹ 1987 Lacs during the previous year. The profit before tax and interest from both the aforesaid division is at ₹ 5602 Lacs and ₹ 6348 Lacs respectively as compared to previous year figures of ₹ 9510 Lacs & ₹ 1574 Lacs respectively.

d) OUTLOOK:

With the global economy appearing to be on the path of revival and with the high income economies showing signs of firm recovery after years of low growth and/or recession, the outlook for the International Trading Industry in particular and Trading Industry in general appears to be bright. The stable and growth oriented Government at the Center and its initiatives like make-in-India, digitalisation, demonetisation for eliminating black money and GST implementation will benefit the domestic economy. Government's emphasis on affordable housing and development of infrastructure are positive for the real estate industry. In view of the aforesaid the outlook of the Company also appears to be bright.

e) RISKS AND CONCERNS:

These aspects have been mentioned under the Heading "Opportunities and Threats".

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 for the import & export of commodities, minerals etc., purchase of assets and with regard to the sale of goods to ensure proper recording of financial & operational information and compliance of various statutory compliances.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

These discussions have been enumerated under the headings “Financial Performance”, “2017 in Retrospect” & “Segment wise Performance” of this Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT

Human Resource is the most important element of the organization. Our Core Values are discipline, trust, integrity and work style. Core Values are established to align all the people in the organization in the direction of achieving stated goals all throughout the organization. The Company is taking sufficient steps for employee engagement and motivation. This has resulted in reduction of employee turnover. Your Company focuses on recruiting and retaining the best talent in the industry. Moreover, Company provides them proper induction, training and knowledge upgradation for the individual as well as organizational growth. The Company continues to maintain its record of cordial and harmonious industrial relations without any interruption in work. Further, as on 31st March, 2017 the Company had 64 employees on its roll.

RISK MANAGEMENT POLICY

The Company has developed and implemented a Risk Management Policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

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

- Energy Conservation Measures taken:
The Company has taken all measures for conservation of energy most economically.
- The steps taken by the Company for utilizing alternate source of energy:- No such steps have been taken by the Company.
- The capital Investments on energy conservation equipments: - No such investment has been made by the Company
- 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 :

(Amount in Lacs)

		CURRENT YEAR	PREVIOUS YEAR
a)	Earning in Foreign Exchange	315753	393886
b)	Expenditure in Foreign Currency	402628	447808

INDUSTRIAL RELATIONS :

Cordial and harmonious industrial relations prevailed throughout the year.

PARTICULARS OF EMPLOYEES :

The particulars of employees who were in receipt of remuneration as specified in Sec.197(12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is attached herewith as ‘Annexure-3’ to this Report. Further, the information required under section Sec.197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is attached herewith as ‘Annexure-4’ to this Report.

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-5'.

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 have been enclosed with the report in the prescribed format AOC-2 as 'Annexure-6'.

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 tribunals which would impact the going concern status of the Company and its future operations.

CASH FLOW STATEMENT

In conformity with the Regulation 34(2)(c) of the SEBI(Listing Obligations & Disclosure Requirements) Regulations 2015, the Cash Flow Statement for the year ended 31st March, 2017 is forming part of this Annual Report.

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 for the import & export of commodities, minerals etc., purchase of assets and with regard to the sale of goods to ensure proper recording of financial & operational information & compliance of various statutory compliances.

MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION OF THE COMPANY OCCURRING AFTER BALANCE SHEET DATE

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.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere appreciation for the continued co-operation and support extended by various Government Departments, Bankers, Dealers & suppliers and also acknowledge and appreciate the contribution made by the employees.

The Board also wishes to place on record its gratitude to the valued customers, members and investors for their continued support and confidence in the Company.

For and on behalf of the Board

Sd/-

(DEEPAK KOTHARI)

Chairman & Managing Director

Sd/-

(MITESH KOTHARI)

Executive Director

PLACE : KANPUR

DATE : 23rd May, 2017

ANNEXURE-1 TO DIRECTORS' REPORT

Annual Report on CSR Activities and CSR Policy

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

The Board of Directors of the Company, after taking into account the recommendations of the CSR Committee, has approved a CSR Policy for the Company. As required under Section 135(4) of the Companies Act, 2013, this policy has been uploaded on the Company's website.

The Company is undertaking its CSR activities approved by its CSR Committee through "Maa Sharda Charitable Trust". The aforesaid Trust has been established by the Company as the Settlor/Founder. The aforesaid Trust is focusing in the area of education and other objects of general public utility as specified in Schedule VII to The Companies Act, 2013.

2. Composition of the CSR Committee

The composition of the CSR Committee has been mentioned in the Corporate Governance Report.

3. Average net profit of the company for the last three financial years, as per Section 198 of the Companies Act, 2013

The average net profits of the company for last three financial years ended 31st March, 2016 is ₹ 71,29,31,512.

4. Prescribed CSR expenditure (two percent of the amount as in item 3 above)

The prescribed CSR expenditure for the year is ₹ 1,42,58,630 (2% of ₹ 71,29,31,512). However the Company has contributed ₹ 1,42,58,630 to "Maa Sharda Charitable Trust".

5. Details of CSR spent during the financial year

The Company has contributed an amount of ₹ 1,42,58,630 being 2% of the average net profits for the 3 preceding financial years ended on 31st March, 2016. The Company has contributed the amount for the CSR activity to be undertaken through "Maa Sharda Charitable Trust", a registered trust established by the company.

(₹ In Crores)

SI. NO.	CSR Projects or activity identified.	Sector in which the project is covered. (clause No.iii of schedule VII to the Companies Act, 2013 as amended)	Projects or Programs (1)Local area or other (2)specify the State and district where projects or programs was undertaken	Amount outlay (budget) Projects or Programs wise	Amount spent on the Projects or Programs Sub-heads: (1)Direct expenditure on Projects or Programs (2)Over-heads:	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Community Development, old age homes and Day Care Centres	Setting up of old age homes, Day Care Centres & such other facilities for senior citizens and measures of reducing inequalities faced by socially and economically backward groups	Kanpur & Kanpur Dehat	10.00	1.43	4.47	Through "Maa Sharda Charitable Trust"

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report. N.A.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company

The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and policy of the Company.

For and on behalf of the Board

Sd/-

(DEEPAK KOTHARI)

Chairman & Managing Director

Sd/-

(MITESH KOTHARI)

Executive Director

PLACE : KANPUR

DATE : 23rd May, 2017

ANNEXURE-2 TO DIRECTORS' REPORT
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
Kothari Products Limited,
Pan Parag House, 24/19,
The Mall, Kanpur-208001

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31st, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Kothari Products Limited** for the financial year ended on March 31st, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the year)**
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the year)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the year)**
 - (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 during the year)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the year)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the year)**

We further report that, having regard to the compliance system prevailing in the Company and as certified by management and on examination of the relevant documents and records in pursuance thereof, on test check basis, there are no specific laws applicable to the company.

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

- (i) The Secretarial Standards as issued by the Institute of Company Secretaries of India;
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement as entered into by the company with the stock exchange(s).

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

Out of total promoters' shareholding, 4500 shares representing 0.02% were not demated during the year under the review. However, the same got demated before the date of signing of this report.

We further report that:-

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

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

All decision at the Board Meeting and Committee Meeting has been carried out without dissent, as recorded in the minutes of the meetings of the Board or Committee of the Board as the case may be.

We further report that:-

There exist systems and processes in the Company commensurate with the size and operations of the company to ensure and monitor all critical compliances with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were:

- (i) No instances of Public/Right/Preferential issue of shares/ debentures/sweat equity, etc.
- (ii) No instances of Redemption / buy-back of securities.
- (iii) No major decisions were taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) No instances of Merger / amalgamation / reconstruction, etc.
- (v) No instances of foreign technical collaborations.

Adesh Tandon & Associates
Company Secretaries

Date: 23rd May, 2017
Place: Kanpur

Sd/-
Adesh Tandon
(Proprietor)
FCS No.:2253
C P No.:1121

ANNEXURE -3 TO DIRECTORS' REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The percentage increase in remuneration of each Director and KMP during the financial year 2016-17, Ratio of remuneration of each Director to Median Remuneration of Employees of the Company for the Financial Year 2016-17 and the Comparison of the Remuneration of the KMP against the performance of the Company are as under:

Sl. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial year 2016-17 (₹)	% Increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to Median Remuneration of Employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Sri Deepak Kothari, Chairman & Managing Director	42812307	58.37	115:1	Profit After tax increased by 14.10% for the Financial Year 2016-17
2.	Sri Mitesh Kothari, Executive Director	46977109	50.76	127:1	
3.	Sri Raj Kumar Gupta, CS & Compliance Officer	869160	9.91	2:1	
4.	Sri Anurag Tandon, C.F.O.	3138400	31.28	8:1	

2. The median remuneration of employees of the company during the financial year was ₹ 3,71,197.
3. The percentage increase in the median remuneration of employees in the financial year:-
In the financial year, there was an increase of 7.93% in the median remuneration of employees.
4. The number of permanent employees on the rolls of Company:-
There were 64 permanent employees on the rolls of the Company as on 31st March, 2017.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-
Average percentage increase in the salaries of employees other than the Managerial Personnel in the last financial year i.e. 2016-17 was 7.93 % whereas increase in the Managerial Personnel remuneration was 63.19% during the last financial year. The aforesaid increase in the Managerial Remuneration is due to increase in the Commission on the net profits of the Company
6. Affirmation that the remuneration is as per the remuneration policy of the Company
It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

For and on behalf of the Board

Sd/-

(DEEPAK KOTHARI)

Chairman & Managing Director

Sd/-

(MITESH KOTHARI)

Executive Director

PLACE : KANPUR
DATE : 23rd May, 2017

ANNEXURE “4” TO DIRECTORS’ REPORT

Statement pursuant to Section 197(12) of the Companies Act, 2013 Read with Rule 5(2) & 5(3) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended till date.

Sl. No.	Name of Employee	Designation & Nature of Duties	Gross Remuneration (₹)	Nature of Employment	Qualification	Date of Commencement of Employment	Age / Experience	Last Employment	Shareholding in the Company
1.	Sri Deepak Kothari	Chairman & Managing Director/ Management	42812307/-	Contractual	Graduate	07.09.1988	66/44	-----	55.55%
2.	Sri Mitesh Kothari	Executive Director / Management	46977109/-	-----do-----	MBA	01.04.2000	40/20	-----	2.04%

NOTES :

1. The Gross Remuneration shown above is subject to Tax & comprises Salary, Commission and value of Perquisites as per Income Tax Rules, 1962 and as defined in Sec.198.
2. Both the above employees are related to each other. Sri Deepak Kothari is father of Shri Mitesh Kothari and Sri Mitesh Kothari is son of Sri Deepak Kothari.
3. Other terms & Conditions : As per Shareholders’ Resolutions dated 23rd September, 2016.
4. There is no employee under sec.197(12) read with Rule 5(2)(iii) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended till date.
5. As per Section 136 of The Companies Act, 2013 the Annual Report and Accounts are being sent to the members excluding the statement containing the names and other details of top ten employees in terms of remuneration drawn as required u/s 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. However the aforesaid statement is open for inspection at the Registered Office of the Company. Any shareholder interested obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board

Sd/-

(DEEPAK KOTHARI)

Chairman & Managing Director

Sd/-

(MITESH KOTHARI)

Executive Director

PLACE : KANPUR

DATE : 23rd May, 2017

ANNEXURE - 5 TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

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

I REGISTRATION & OTHER DETAILS:

i	CIN	L16008UP1983PLC006254
ii	Registration Date	17.09.1983
iii	Name of the Company	KOTHARI PRODUCTS LTD.
iv	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES
v	Address of the Registered office & contact details	"PAN PARAG HOUSE", 24/19, THE MALL KANPUR – 208 001 (U.P.) PH : (0512)-2312171 – 74 & FAX NO. : (91) (0512) 2312058 E-MAIL : rkgupta@kothariproducs.in, http://www.kothariproducs.in
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Ltd. (Unit: Kothari Products Ltd.) "Alankit Heights" 1E/13 Jhandewalan Extension New Delhi – 110 055 Phone Nos. (011) 23541234 & 42541234 Fax Nos. (011) 41543474 E-mail : rta@alankit.com, Website : www.alankit.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Wholesale Trading of Coal	4661	18.94%
2	Wholesale Trading of Oil	4661	22.42%
3	Wholesale Trading of Construction Materials (Tiles etc.)	4663	25.43%
4	Wholesale Trading of Machine & Spares	4651	24.43%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	MK Web-Tech Pvt. Ltd. C/62, Vibgyor Tower, 9th Floor, BandraKurla Complex, Bandra East, Mumbai- 400 051	U72200MH2005PTC152153	SUBSIDIARY	100%	2(87)
2	KPL Exports Pvt. Limited "Pan Parag House" 24/19, The Mall, Kanpur-208 001	U74900UP2008PTC035118	SUBSIDIARY	100%	2(87)

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
3	Kothari Products Singapore Pte. Limited 101 Cecil Street # 11-01, Tong Eng Building, Singapore - 069 533	200809977K	SUBSIDIARY	99.9998%	2(87)
4	Savitrimata Realtors Pvt. Ltd. 7 Chittaranjan Avenue, PS Bowbazar, Kolkata, 700072	U45400WB2006PTC108572	SUBSIDIARY	51%	2(87)
5	Blackplinth Realtors Pvt. Ltd. C/62, Vibgyor Tower, 9th Floor, Bandra Kurla Complex, Bandra East, Mumbai- 400 051	U45400MH2011PTC219443	SUBSIDIARY	54%	2(87)
6	Pinehills (Singapore) Pte Ltd., Singapore, 101 Cecil Street # 11-01, Tong Eng Building, Singapore - 069 533	201132797G	a wholly owned subsidiary of Kothari Products Singapore Pte Limited, a subsidiary of the Company	99.9998%	2(87)
7	Hara Parvati Realtors Pvt. Ltd. 7, Chittaranjan Avenue, PS Bowbazar, Kolkata, 700072	U70101WB2006PTC108570	ASSOCIATE	50.00%	2(6)
8	Real Griha Nirman Private Ltd. 7, Chittaranjan Avenue, Kolkata - 700072	U45201WB2004PTC100346	ASSOCIATE	50%	2(6)
9	Shubhadra Realtors Private Ltd. 7, Chittaranjan Avenue, Kolkata - 700072	U70109WB2006PTC111280	ASSOCIATE	50%	2(6)
10	Sankhya Realtors Private Ltd. 7, Chittaranjan Avenue, 3rd Floor, Kolkata - 700072	U45200WB2006PTC111454	ASSOCIATE	45%	2(6)
11	SPPL Hotels Private Ltd. 7, Chittaranjan Avenue, 3rd Floor, Kolkata- 700072	U55101WB2005PTC106405	ASSOCIATE	50%	2(6)
12	Sattva Realtors Pvt Ltd Salarpuria Windsor, 4th Floor, No. 3, Ulsoor Main Road, Ulsoor, Bangalore - 560001	U70102KA2007PTC044240	ASSOCIATE	25%	2(6)
13	Neelanchal Con – Tech Pvt. Ltd. Salarpuria Windsor, 4th Floor, No.3, Ulsoor Main Road, Ulsoor, Bangalore - 560001	U45205KA2011PTC058638	ASSOCIATE	50%	2(6)
14	Raj Power Parts & Engg. Co. (Pvt.) Ltd. Plot No. A-23, D1 Block, MIDC Chinchwad, Pune, Maharashtra - 411 019	U28991MH1966PTC013491	ASSOCIATE	49.33%	2(6)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

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	
A.	Promoters									
(1)	Indian									
	a) Individual/HUF	19077907	4500	19082407	63.94	19077907	4500	19082407	63.94	0
	b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
	c) Bodies Corporates	3299998	0	3299998	11.06	3299998	0	3299998	11.06	0
	d) Bank/FI	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	SUB TOTAL:(A) (1)	22377905	4500	22382405	75	22377905	4500	22382405	75	0
(2)	Foreign									
	a) NRI- Individuals	0	0	0	0	0	0	0	0	0
	b) Other Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corp.	0	0	0	0	0	0	0	0	0
	d) Banks/FI	0	0	0	0	0	0	0	0	0
	e) Any other...	0	0	0	0	0	0	0	0	0
	SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	22377905	4500	22382405	75	22377905	4500	22382405	75	0
B.	PUBLIC SHAREHOLDING									
(1)	Institutions									
	a) Mutual Funds	0	0	0	0	0	0	0	0	0
	b) Banks/FI	4004	0	4004	0.01	15902	0	15902	0.05	297
	c) Central Govt	0	0	0	0	0	0	0	0	0
	d) State Govt.	0	0	0	0	0	0	0	0	0
	e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	0	0	0	0	0	0	0	0	0
	g) FIIS	0	0	0	0	0	0	0	0	0
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others (specify)	0	0	0	0	0	0	0	0	0
	Foreign Profolio Investor	300	0	300	0.001	0	0	0	0	-100
	SUB TOTAL (B)(1):	4304	0	4304	0.014	15902	0	15902	0.05	269

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	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	4420661	2250	4422911	14.82	4442815	2250	4445065	14.89	0.5
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	2165652	196891	2362543	7.92	2200262	182991	2383253	7.99	0.88
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	446448	129150	575598	1.93	418957	129150	548107	1.84	-4.78
c) Others (specify)									
TRUST	0	0	0	0	2308	0	2308	0.01	0.01
NBFC	0	0	0	0	200	0	200	0	0
NRI	96104	0	96104	0.32	66625	0	66625	0.22	-30.67
SUB TOTAL (B)(2):	7128865	328291	7457156	24.98	7131167	314391	7445558	24.95	-0.16
Total Public Shareholding (B)= (B)(1)+(B)(2)	7133169	328291	7461460	25	7147069	314391	7461460	25	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	29511074	332791	29843865	100	29524974	318891	29843865	100	0

(ii) SHAREHOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Avinash Gupta	2250	0.008	0	2250	0.008	0	0
2	Deepak Kothari Jointly With Arti Kothari	16576596	55.544	0	16576596	55.544	0	0
3	Mitesh Kothari	609570	2.043	0	609570	2.043	0	0
4	Mitesh Kothari (HUF)	1828098	6.126	0	1828098	6.126	0	0
5	Reeta Dilip Shah	6750	0.023	0	6750	0.023	0	0
6	Sadhna V Kothari	4500	0.015	0	4500	0.015	0	0
7	Urvi Kothari	54643	0.183	0	54643	0.183	0	0
8	Dham Securities Pvt. Ltd.	3299998	11.058	0	3299998	11.058	0	0
	TOTAL	22382405	75.000	0	22382405	75.000	0	0

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		Date wise Increase/ Decrease (Remarks if any)
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	Dr. Avinash Gupta	2250	0.008	2250	0.008	No Change
2	Sri Deepak Kothari Jointly with Smt. Arti Kothari	16576596	55.544	16576596	55.544	No Change
3	Sri Mitesh kothari	609570	2.043	609570	2.043	No Change
4	Mitesh Kothari (HUF)	1828098	6.126	1828098	6.126	No Change
5	Reeta Dilip Shah	6750	0.023	6750	0.023	No Change
6	Sadhna V Kothari	4500	0.015	4500	0.015	No Change
7	Urvi Kothari	54643	0.183	54643	0.183	No Change
8	Dham Securities Pvt. Ltd.	3299998	11.058	3299998	11.058	No Change
	TOTAL	22382405	75	22382405	75	No Change

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS,PROMOTRES AND HOLDERS OF GDRs & ADRs)

Sl. No.	Name of top Ten shareholders at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase/ Decrease (Remarks if any)
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
1	Magnus Properties Pvt. Ltd.	1690114	5.663	1690114	5.663	No Change
2	U.V.Buildcon Pvt. Ltd.	609118	2.041	609118	2.041	No Change
3	K.Raheja Corp. Pvt. Ltd.	462717	1.55	462717	1.55	No Change
4	Sattva Developers Pvt. Ltd.	450000	1.508	450000	1.508	No Change
5	Vaishali Traders Pvt. Ltd.	388650	1.302	388650	1.302	No Change
6	UFLEX Ltd.	342900	1.149	342900	1.149	No Change
7	Vivek Mehrotra	129150	0.433	129150	0.433	No Change
8	Adit Realty Pvt. Ltd.	84850	0.284	84850	0.284	No Change
9	Gopikishan Shivkishan Damani	67500	0.226	67500	0.226	No Change
10	Yogita Garg	64350	0.216	64350	0.216	No Change

(v) SHAREHOLDING OF DIRECTORS & KMP

Sl. No.	Name of Directors & 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	Sri Deepak Kothari Jt. With Arti Kothari	16576596	55.54	16576596	55.54
2	Sri Mitesh Kothari	609570	2.04	609570	2.04
3	Dr.Avinash Gupta	2250	0.01	2250	0.01
4	Sri Pramod Kumar Tandon	Nil	Nil	Nil	Nil
5	Smt. Poonam Acharya	Nil	Nil	Nil	Nil
6	Sri Vikas Chaturvedi	Nil	Nil	Nil	Nil
7	Sri Raj Kumar Gupta	Nil	Nil	Nil	Nil
8	Sri Anurag Tandon	Nil	Nil	Nil	Nil

V INDEBTEDNESS

(Amount in ₹)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year	47,35,54,534.36	2,13,12,932.97	44,39,052.83	49,93,06,520.16
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	47,35,54,534.36	2,13,12,932.97	44,39,052.83	49,93,06,520.16
Change in Indebtedness during the financial year				
Additions	61,76,02,816.39	-	42,42,870.25	62,18,45,686.64
Reduction	-	97,14,670.29	-	97,14,670.29
Net Change	-	-	-	-
Indebtedness at the end of the financial year	1,09,11,57,350.75	1,15,98,262.68	86,81,923.08	1,11,14,37,536.51
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,09,11,57,350.75	1,15,98,262.68	86,81,923.08	1,11,14,37,536.51

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount (in ₹)
		Deepak Kothari	Mitesh Kothari	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1700967	1350000	3050967
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2796509	7341125	10137634
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as 4% of profit	38199446	38199446	76398892
5	Others, please specify			
	Gratuity	115385	86538	201923
	Total (A)	42812307	46977109	89789416
	Ceiling as per the Act	₹ 103450957 (Being 10% of the net profits of the Company calculated as per Sec.198 of the Companies Act, 2013)		

B. Remuneration to other directors:

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
		Pramod Kumar Tandon	Dr. Avinash Gupta	Vikas Chaturvedi	
1	Independent Directors				
	(a) Fee for attending Board Meetings	12,000	3000	12,000	27000
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	Total (1)	12000	3000	12000	27000
2	Other Non Executive Directors	Poonam Acharya			
	(a) Fee for attending	6000			6000
	(b) Commission	0			0
	(c) Others, please specify.	0			0
	Total (2)	6000			6000
	Total (B)=(1+2)	18000	3000	12000	33000
	Ceiling as per the Act	₹ 10345096 (Being 1% of the net profits of the Company calculated as per sec. 198 of the Companies Act, 2013).			
	Total Managerial Remuneration				58236938
	Overall Ceiling as per the Act.	₹ 113796052 (Being 11% of the net profits of the Company calculated as per sec. 198 of the Companies Act, 2013).			

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration		Key Managerial Personnel		
			CS & Compliance Officer	CFO	
			Raj Kumar Gupta	Anurag Tandon	
1	Gross Salary				Total
	(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	861960	3138400	4000360
	(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	7200	-	7200
	(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option		-	-	-
3	Sweat Equity		-	-	-
4	Commission		-	-	-
	as % of profit		-	-	-
	others, specify		-	-	-
5	Others, please specify		-	-	-
	Total		869160	3138400	4007560

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

THERE WERE NO PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES FOR THE YEAR ENDING 31ST MARCH, 2017.

For and on behalf of the Board

PLACE : KANPUR
DATE : 23rd May, 2017

Sd/-
(DEEPAK KOTHARI)
Chairman & Managing Director

Sd/-
(MITESH KOTHARI)
Executive Director

ANNEXURE-6 TO DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: ----- NIL-----
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts / arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) Date(s) of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis

Sl. No.	Particulars	Details
(a)	Name(s) of the related party and nature of relationship	The details of the transactions with related parties are provided in the accompanying financial statements
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts / arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board, if any	
(f)	Amount paid as advances, if any	

For and on behalf of the Board

PLACE : KANPUR
DATE : 23rd May, 2017

Sd/-
(DEEPAK KOTHARI)
Chairman & Managing Director

Sd/-
(MITESH KOTHARI)
Executive Director

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is a reflection of our policies, culture and relationship with shareowners, employees, customers, suppliers and diverse stakeholders. The Company has embedded the best of corporate governance practices in its day-to-day operations aimed at building trust with all stakeholders.

The Company's philosophy on Corporate Governance comprises of the objective of attainment of highest level of transparency, accountability and equity, in all facets of its operations. The Company firmly believes in and continues to practice good Corporate Governance. During the year the Company has further fine-tuned its corporate practices so as to bring them in line with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended till date.

BOARD OF DIRECTORS

COMPOSITION

The Board of Directors of the Company comprises of two Executive & Non-Independent Directors, One Non Executive Director and three Non-Executive & Independent Directors as on 31st March 2017, in line with the stipulations laid by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Non-Executive Directors are drawn from amongst persons with varied experience in Business & Industry. The Board presently has an Executive Chairman & Managing Director, an Executive Director and four Non-Executive Directors. Its composition as on 31st March, 2017 was as under:-

Names of the Directors	No. of Outside Directorships*	No. of Membership, Chairmanship in Other Board Committees #	Executive/ Non Executive/ Independent/ Promoter	Designation
Sri Deepak Kothari	3	2	Executive & Non-Independent (Promoter)	Chairman & Managing Director
Sri Mitesh Kothari	6	NIL	---do---	Executive Director
Dr.Avinash Gupta	2	NIL	Independent & Non-Executive Director	Director
Sri Pramod Kumar Tandon	5	1	----do---	Director
Sri Vikas Chaturvedi	NIL	NIL	----do---	Director
Smt. Poonam Acharya	NIL	NIL	Non-Executive Director	Director

* The no. of other Directorships held by Directors as mentioned above, do not include Directorships held in Private Limited Companies which are neither subsidiaries nor holding Companies of a Public Company.

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/Chairmanships of only the Audit Committees and Stakeholder's Relationship Committee in all public limited companies (excluding Kothari Products Limited) have been considered.

ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND LAST ANNUAL GENERAL MEETING

Name	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance At Last A.G.M.
Sri Deepak Kothari	5	5	PRESENT
Sri Mitesh Kothari	5	1	-
Dr.Avinash Gupta	5	1	-
Sri Pramod Kumar Tandon	5	4	PRESENT
Sri Vikas Chaturvedi	5	4	PRESENT
Smt. Poonam Acharya	5	2	PRESENT

NO. OF MEETINGS HELD DURING THE YEAR & DATES

During the financial year 2016-17 Five (5) Board Meetings were held. The dates on which the said Meetings were held are given below:

20th May, 2016, 5th July, 2016, 14th September, 2016, 14th December, 2016 and 10th February, 2017.

RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Sri Deepak Kothari is father of Sri Mitesh Kothari and accordingly Sri Mitesh Kothari is son of Sri Deepak Kothari. Except the aforesaid no other Directors of the Company is related to any other Director of the Company.

AUDIT COMMITTEE

The composition of the Audit Committee of the Company as on 31st March, 2017 was as under:-

Sl. No.	Name Of Directors	Designation	Executive/Non-Executive/Independent	No. of Meetings Held During the Year	Attendance of Each Director
1.	Sri Pramod Kumar Tandon	Chairman	Independent & Non-Executive	4	4
2.	Dr.Avinash Gupta	Vice Chairman	Independent & Non-Executive	4	1
3.	Sri Deepak Kothari	Member	Executive & Non Independent	4	4
4.	Sri Vikas Chaturvedi	Member	Independent & Non-Executive	4	4

The Constitution of the Committee meets with the requirements of Section 177 of the Companies Act, 2013.

Sri Vivek Kumar Gupta, Auditor & Sri Anurag Tandon, Chief Financial Officer are the permanent invitees and the Company Secretary Mr. Raj Kumar Gupta is the Secretary of the Committee.

The role and terms of reference of the Audit Committee covers the areas mentioned under Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors, which mainly includes:

The role of the Audit Committee includes oversight the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible, recommending the appointment, re-appointment, remuneration and terms of appointment of auditors, approval of payment to Statutory auditors for any other services rendered by the Statutory auditors, reviewing with the management, Quarterly financial statements and annual financial statements and auditor's report thereon before submission to the Board for approval, approval of any subsequent modification of transactions with related parties, Scrutiny of inter-corporate loans and investments, reviewing and monitoring the auditor's independence, performance & effectiveness of audit process, evaluation of internal financial control and risk management system, reviewing the adequacy of internal audit, if any, to review with the management the statement of uses/application of funds raised through an issue and the report submitted by the monitoring agency monitoring the utilization of proceeds of the issue and making appropriate recommendations to the Board to take up steps in this matter, to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors, to review the functioning of the whistle blower mechanism, to approve appointment of Chief Financial Officer and to carry out any other function as mentioned in the terms of reference of the Audit Committee.

The Committee also meets the operating management personnel and reviews the operations, new initiatives and performance of the business units. Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken note of.

NOMINATION & REMUNERATION COMMITTEE

The Company has constituted Nomination & Remuneration Committee pursuant to the provisions of Sec.178 of the Companies Act, 2013. The Composition of the committee is as under:-

Sl. No.	Name of Directors	Designation	Executive/Non-Executive/Independent	No. of Meetings Held During the Year	Attendance of Each Director
1.	Sri Pramod Kumar Tandon	Chairman	Independent and Non Executive	1	1
2.	Dr. Avinash Gupta	Member	Independent and Non Executive	1	NIL
3.	Sri Vikas Chaturvedi	Member	Independent and Non Executive	1	1

The Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 & Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The role and terms of reference of the Nomination and Remuneration Committee broadly include:-

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.
2. Formulation of criteria for evaluation of performance of every Director.
3. Devising a policy on diversity of Board of Directors.
4. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of Performance evaluation of Independent Directors.

PERFORMANCE EVALUATION CRITERIA:

As per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has carried out a performance review of the Individual Directors and Board as a whole on the following parameters:

- The size and composition (executive, non-executive, independent members and their background in terms of knowledge, skills and experience) of the Board is appropriate.
- The Board conducts itself in such a manner that it is seen to be sensitive to the interests of all stakeholders (including minority shareholders) and it has adequate mechanism to communicate with them.
- The Board is active in addressing matters of strategic concerns in its review of the Board agenda with the executive management.
- The Board makes well-informed high quality decisions on the basis of full information and clear insight into Company's business.
- The Board is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.
- The Board meets frequently enough and for sufficient duration to enhance its effectiveness.
- The Board meeting time is appropriately allocated between management presentation and Board discussion.
- The Board has a good understanding of the Company's key drivers of performance and associated risks, threats and opportunities.
- The Board devotes considerable amount of time in developing the business strategy and annual business plan.
- The Board has clearly defined the mandates of its various committees and effectively oversees their functioning.
- The Board is effective in formulating and monitoring various financial and non-financial policies and plans.
- The Board is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
- The Board pays considerable attention to the quality of financial reporting process and internal financial controls and effectively oversees them.
- The Board regularly follows up on its decisions to ensure that action is taken on all its decisions.
- The Board gives effective advice and assistance for achieving the Company's mission and vision.

Remuneration Policy of the Company, interalia, includes to ensure that:-

- a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.

- b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- c. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The details of Directors' Remuneration paid during the year to all the Directors is as under :-

(Amount in ₹)

Name of Director	Sri Deepak Kothari	Sri Mitesh Kothari	Dr. Avinash Gupta	Sri Pramod Kumar Tandon	Sri Vikas Chaturvedi	Smt. Poonam Acharya
Salary	1700967	1350000	-	-	-	-
Gratuity	115385	86538	-	-	-	-
Perquisites	2796509	7341125	-	-	-	-
Commission	38199446	38199446	-	-	-	-
Sitting Fees	-	-	3000	12,000	12,000	6000

STAKE HOLDERS RELATIONSHIP COMMITTEE

The Company has constituted stakeholders relationship committee pursuant to the provisions of sec.178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to take care of matters relating to redressal of shareowners'/investors' complaints, to recommend measures to improve the level of investors' services and simultaneously to expedite the process of Share Transfers. The Committee also approves requests for Share Transfers/Issue of Duplicate Share Certificates/Issue of new certificates on split, consolidation, renewal, requests for transmission of shares etc., requests for non-receipt of annual report and non-receipt of declared dividends etc., Accordingly the Constitution of the Committee as on 31st March, 2017 is Sri Pramod Kumar Tandon as its Chairman and Sri Deepak Kothari, Sri Mitesh Kothari & Dr. Avinash Gupta as its members.

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent/ issues resolved usually within 15 days except in case of dispute over facts or other legal constraints.

Name of the Non-executive Director heading the Committee	Sri Pramod Kumar Tandon
Name & Designation of Compliance Officer	Sri Raj Kumar Gupta, CS & Compliance Officer
No. of Shareowners Letters/complaints received during the financial year	11
No. of Letters/Complaints not replied/solved to the Satisfaction of the shareowners	All the Letters/Complaints received by the Company have been replied/solved to the satisfaction of the complainants.
No. of pending Complaints	None of the Complaints is pending as at 31 st March, 2017.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Only Dr. Avinash Gupta holds 2250 shares in the Company. No other Non-Executive Director holds any shares in the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to the provisions of sec.135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee on 3rd April, 2014. This committee has been entrusted with the responsibility of formulating/reviewing from time to time the Corporate Social Responsibility Policy broadly indicating the activities to be undertaken by the Company that are mandatory in the implementation of the framework of Corporate Social Responsibility Policy and recommend the money to be spent on each of the activities as prescribed under the Act and the rules made thereunder. The Composition of this Committee as on 31st March, 2017 is as under:-

Names of Directors	Designation in the Committee	Category
Sri Pramod Kumar Tandon	Chairman	Non-Executive & Independent
Sri Deepak Kothari	Member	Executive & Non- Independent
Dr. Avinash Gupta	Member	Non-Executive & Independent

RISK MANAGEMENT COMMITTEE

The Company has constituted on 18th September, 2014, Risk Management Committee pursuant to the erstwhile revised clause 49 of the Listing Agreement and pursuant to the Risk Management Policy of the Company to perform the functions specified in the aforesaid clause 49 which inter-alia include mainly to manage and minimize the risk which are inherent in the business of the Company. The Composition of the committee as on 31st March, 2017 is as under:-

Names of Directors	Designation in the Committee	Category
Sri Pramod Kumar Tandon	Chairman	Non-Executive & Independent
Sri Vikas Chaturvedi	Member	Non-Executive & Independent
Dr. Avinash Gupta	Member	Non-Executive & Independent
Sri Deepak Kothari	Member	Executive & Non- Independent

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Pursuant to Section 177 of The Companies Act, 2013, 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 appointed Sri Anurag Tandon, Chief Financial Officer as its Vigilance Officer and his address is Kothari Products Limited , C/62, Vibgyor Tower, 9th Floor, Bandra Kurla Complex, Bandra East, Mumbai, E-mail Id:- anuragtandonca@gmail.com. The company has assigned the email ID- anuragtandonca@gmail.com or deepakkothari@panparag.com or citizenforum.tandon6@gmail.com on which anyone can report or send written complaint to the Vigilance Officer, Chairman & Managing 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.

CODE FOR PREVENTION OF INSIDER TRADING

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has adopted a Code for prevention of Insider Trading. The objective of the Code is to restrict an insider from dealing in the shares of the Company either directly or indirectly when in possession of unpublished price sensitive information (UPSI) and also to restrict communication of such UPSI. The Code is applicable to the Directors and Designated Employees/Persons associated with the Company. The Code enumerates the procedure to be followed for dealing in the shares of the Company and periodic disclosures to be made. It also restricts the insiders from dealing in the Company's shares during the period when the "Trading Window" is announced closed. The Company Secretary has been designated as the Compliance Officer. As required by Regulation 8 of the aforesaid regulations, Company has formulated the Code of Practices and Procedures for fair disclosure of unpublished price sensitive information. The aforesaid code has been posted by the Company on its website under the link "Investors Section".

SUBSIDIARY COMPANIES

The Company has Four non-listed Indian Subsidiaries and Two non-listed Foreign Subsidiaries. In terms of Regulation 24 of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, none of these Subsidiaries is a "material subsidiary", whose income or networth exceeds 20% of the Consolidated income or networth respectively, of the Listed Holding Company and its Subsidiaries, in the immediately preceding Accounting Year.

The Audit Committee reviews the financial statements and in particular, the investments made by the unlisted subsidiary companies. The summaries of minutes of the Board Meetings of the Subsidiary Companies are circulated to the Board of the Company alongwith agenda papers and the minutes are tabled at the Board Meeting.

The Company has prepared a Policy for determining a Material Subsidiary Company. The aforesaid policy can be viewed on the website of the Company under the link “Investors Section”.

GENERAL BODY MEETINGS

Venue, Date & Time Where Last 3 AGMs Were Held

Meeting	Date	Time	Venue
32nd AGM	23rd September, 2016	11:30 A.M.	HOTEL VIJAY INTERCONTINENTAL, 10/510, KHALASI LINE, TILAK NAGAR, NEAR RAVE-3, KANPUR
31st AGM	24th September, 2015	11:30 A.M.	HOTEL VIJAY INTERCONTINENTAL, 10/510, KHALASI LINE, TILAK NAGAR, NEAR RAVE-3, KANPUR
30th AGM	19th September, 2014	11:30 A.M.	HOTEL VIJAY INTERCONTINENTAL, 10/510, KHALASI LINE, TILAK NAGAR, NEAR RAVE-3, KANPUR

DETAILS OF SPECIAL RESOLUTION(S) PASSED IN THE PREVIOUS 3 ANNUAL GENERAL MEETINGS:-

Annual General Meeting	No. of Special Resolutions
32 nd	4
31 st	NIL
30 th	1

At the 32nd Annual General Meeting held on September 23rd, 2016, Four Special Resolutions were passed relating to the re-appointment of Sri Deepak Kothari as Chairman & Managing Director, Sri Mitesh Kothari as an Executive Director, Increase in the limits of mortgages & charges and re-classification of Smt. Sadhna Kothari from the Promoter’s Group to the Public Group. The resolutions were put to vote and passed with requisite majority.

At the 31st Annual General Meeting held on September 24th, 2015, No Special Resolution was passed.

At the 30th Annual General Meeting held on September 19th, 2014, One Special Resolution was passed relating to the amendment of Articles of Association of the Company. The resolution was put to vote and was passed with requisite majority.

DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the year under review no resolutions was passed through Postal Ballot.

None of the items transacted at the last Annual General Meeting held on 23rd September, 2016 were required to be passed by Postal Ballot nor any resolution requiring a Postal Ballot is being proposed at the ensuing Annual General Meeting.

EXTRA ORDINARY GENERAL MEETING

During the year under review no Extra Ordinary General Meeting of the Company was held.

DISCLOSURES

- During the financial year 2016-17, the company had no materially significant related party transactions that may have potential conflict with the interests of the company at large.
- The Company has formulated a policy on Materiality of Related Party Transaction & Policy for determining material subsidiaries, the said policies are available on the website of the Company i.e. <http://www.kothariproducs.in>
- There has neither been any non-compliances nor penalties, strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.

- The Company has framed Whistle Blower Policy and the details of the same are available on the Company's website, and no person has been denied access to the Audit Committee.
- No accounting treatment has been done which is different from the prescribed Accounting Standards.
- To promote ethical conduct and maintain high standards in carrying out business transactions of the Company, a Code of Conduct has been laid down for procedures to be followed by the Board Members and the Senior Management Employees. This Code is also posted on the Company's website.
- The Company has framed familiarization programmes and the same are imparted to Independent Directors. The aforesaid programmes are placed on website of the Company i.e. <http://www.kothariproducs.in>
- The Company has inherent risks in its business activities and to manage these risks the Company has formulated a Risk Management Policy which is posted on the Company's website.
- The Company has complied with all mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of regulation 46 of the SEBI(LODR)Regulations, 2015.

MEANS OF COMMUNICATION

i.	Quarterly, Half yearly & Annual results are normally Published in following newspapers.	Financial Express (All Editions) and Hindustan, Kanpur Edition
ii.	Any website, where displayed	Annual & Quarterly Financial Results are displayed on Company's website i.e. http://www.kothariproducs.in
iii.	Whether it also displays official News Releases and presentations made to Institutional investors/analysts.	Yes, In addition to Audited & Quarterly Financial Results, Details regarding Board of Director(s), businesses etc. of the Company and its subsidiaries and any changes therein are displayed.
iv	Whether Management Discussion and Analysis Report is a part of Annual Report	Yes

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by SEBI, a qualified Practicing Company Secretary carries out share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) & Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and report thereon is submitted to the stock exchanges.

DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS

1. The Company has complied with all mandatory requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as on 31st March, 2017.
2. Adoption of non-mandatory requirements as at 31st March, 2017:-
 - a) **Board of Directors**
The Company has an Executive Chairman and he occupies an office with all the necessary infrastructure and assistance made available to enable him discharge his responsibilities effectively.
 - b) **Shareholders Rights**
As the Quarterly and Half Yearly Financial Results are published in the newspapers as well as displayed on the Company's Website, hence the results are not sent to household of each of the shareholders. The complete Annual report is sent to each and every shareholder of the Company.
 - c) **Audit Qualifications**
The Auditors have issued an unqualified opinion for the year ended 31st March, 2017.
 - d) **Reporting of Internal Auditor**
The Internal Auditor of the Company reports directly to the Audit Committee of the Company.

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

[in pursuance of Regulation 36 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

Name of Director	Mitesh Kothari
Date of Birth	26.08.1976
Date of Appointment	23/09/2016
Qualification	MBA
Expertise in Specific Functional Areas	He has got a rich business experience in almost all the functional areas of the Company.
Directorships Held in other Companies*	<ol style="list-style-type: none"> 1. Blackplinth Realtors Pvt. Ltd. 2. KPL Exports Pvt. Ltd. 3. Pan Parag India Ltd. 4. Savitrimata Realtors Pvt. Ltd. 5. Sukhdham Constructions & Developers Ltd. 6. Sattva Realtors Ltd.
Committee Positions held in other Company #	NIL

*The no. of other Directorships held by Directors as mentioned above, do not include Directorships held in Private Limited Companies which are neither subsidiaries nor holding Companies of a Public Company.

In accordance with SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, Memberships/ Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees in all public limited companies (excluding Kothari Products Limited) have been considered.

GENERAL SHAREOWNER INFORMATION

ANNUAL GENERAL MEETING

- **DATE** : 22nd September, 2017.
- **TIME** : 11:30 A.M.
- **VENUE** : HOTEL VIJAY INTERCONTINENTAL, 10/510, KHALASI LINE, TILAK NAGAR, NEAR RAVE-3, KANPUR

FINANCIAL CALENDER

(1st April, 2017 to 31st March, 2018)

Results for the first quarter ending 30.06.2017	On or before 14 th August, 2017
Results for the second quarter & half-year ending 30.09.2017	On or before 14 th November, 2017
Results for the third quarter ending 31.12.2017	On or before 14 th February, 2018
Results for the fourth quarter & year ending 31.03.2018	On or before 30 th May, 2018

- **Dates of Book Closure** : 15th September, 2017 to 22nd September, 2017 (both days inclusive)
- **Dividend Payment Date**: within 30 days of the Annual General Meeting.

- **Listing on Stock Exchanges and Stock Code:**

The shares of the Company are listed on Bombay Stock Exchange Ltd., Mumbai situated at Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street MUMBAI - 400 001 & National Stock Exchange of India Ltd., Situated at Exchange Plaza 5th Floor Plot No.C/1 G Block Bandra Kurla Complex Bandra (E) MUMBAI - 400 051 Mumbai. Stock Code: 530299 on Bombay Stock Exchange, Kothari Pro-Series-EQ. : National Stock Exchange of India Ltd.

The Company had paid Annual Listing Fees for the Financial year 2016-17 to both the aforesaid Stock Exchanges

MARKET PRICE DATA: HIGH & LOW DURING THE LAST FINANCIAL YEAR (NSE)

MONTH	HIGH (Amount in ₹)	LOW (Amount in ₹)
APRIL 2016	179.8	160.6
MAY 2016	181	160
JUNE 2016	176.4	134.6
JULY 2016	173.9	158
AUGUST 2016	164.5	155
SEPTEMBER 2016	174.85	157.7
OCTOBER 2016	235.7	162
NOVEMBER 2016	208.2	155
DECEMBER 2016	179.85	158.1
JANUARY 2017	174	163.55
FEBRUARY 2017	214.5	170.1
MARCH 2017	209.9	182.4

PERFORMANCE IN COMPARISON TO BSE SENSEX

The shares of the Company are not considered by the Stock Exchanges in their index fluctuations.

REGISTRAR AND TRANSFER AGENT

The Company has appointed following Registrar & Transfer Agent for physical & demat work both, from 1st May, 2007. All shareowners may contact the Registrar and Transfer Agent at the following address:-

Alankit Assignments Ltd.
(Unit: Kothari Products Ltd.)
"Alankit Heights"
1E/13 Jhandewalan Extension
New Delhi – 110 055
Telephone Nos. (011) 23541234 & 42541234
Fax Nos. (011) 41543474
E-mail : rta@alankit.com
Website : www.alankit.com

SHARE TRANSFER SYSTEM:

A Committee of Directors – Stakeholders Relationship Committee is constituted to approve, inter-alia the transfer and transmission of shares, issue of duplicate share certificates and allied matters.

The Company has appointed Alankit Assignments Ltd., as its Registrar and Share Transfer Agent. All share transfers and related operations are conducted by Alankit Assignments Ltd., which is registered with the SEBI.

The Company's Registrar Alankit Assignments Ltd., has adequate infrastructure to serve the shareholders and process the share transfers. In compliance with the Listing Agreement/Listing Regulations, every Six months the share processing system is audited by a Practising Company Secretary and a certificate to that effect is issued.

Investor correspondence should be addressed to the Registrar and Share Transfer Agent or the Company, as per contact details as given at the end of the Report.

DISTRIBUTION OF SHAREHOLDING

The Shareholding distribution of equity shares as on 31st March, 2017 is given below:

No. of Equity shares held	No. of Shareowners		No. of Shares held in		% of Equity Capital held in		Total Shareholding
	No. of Shareowners	% of Shareowners	Physical form	Demat Form	Physical Form	Demat form	Physical & Demat
1 – 500	7644	88.186	119241	945300	0.39	3.16	1064541
501 - 1000	522	6.022	14500	382958	0.05	1.28	397458
1001 - 5000	424	4.892	34400	886883	0.11	2.96	921283
5001 - 10000	39	0.450	21600	240483	0.07	0.80	262083
10001 - 20000	17	0.196	0	235638	0	0.78	235638
20001 - 30000	3	0.035	0	74832	0	0.25	74832
30001 - 40000	0	0	0	0	0	0	0
40001 - 50000	1	0.012	0	45450	0	0.15	45450
50001 - 100000	7	0.081	0	455669	0	1.53	455669
100001 - 500000	5	0.058	129150	1644267	0.43	5.57	1773417
500001 - Above	6	0.069	0	24613494	0	82.47	24613494
Total	8668	100	318891	29524974	1.05	98.95	29843865

DEMATERIALISATION OF SHARES AND LIQUIDITY

Nearly 98.95% of total Equity Share Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2017. ISIN No. is INE823A01017 of NSDL & CDSL. The Company's shares are regularly traded at Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd., Mumbai.

SHAREHOLDING PATTERN OF THE COMPANY AS ON 31ST MARCH, 2017:

Category	No. of Shares Held	% of Holding
Promoters & Promoter Group	22382405	75
Indian Public – Individuals	2931360	9.83
Indian Public - Corporate Bodies	4445065	14.89
Indian Public – Financial Institutions/ Banks	15902	0.05
NBFC Registered With RBI	200	0.00
Foreign Holding:-		
(i) NRI(s)	66625	0.22
(ii) Trust	2308	0.01
Total	29843865	100.00

PLANT LOCATIONS

Since the Company is engaged in the business of International Trade and Real Estate Activities and has no manufacturing activity hence it has no plants.

• ADDRESS FOR CORRESPONDENCE

1. Shareowners having any queries regarding Dividend Warrants & Annual Reports should send their correspondence to :

The Share Department
KOTHARI PRODUCTS LTD.
“PAN PARAG HOUSE”
24/19, The Mall
KANPUR - 208 001
(U.P.)
PHONE NOS. - 0512-2312171-74
FAX NO. -0512-2312058
Email - rkgupta@kothariproducts.in

2. Physical Shareowners should send their requests for Share Transfers, Change of Address/Bank Details etc., if any, to our following Registrar & Share Transfer Agent :-

Alankit Assignments Ltd.
(Unit: Kothari Products Ltd.)
“Alankit Heights”
1E/13 Jhandewalan Extension
New Delhi – 110 055
Telephone Nos. (011) 23541234 & 42541234
Fax Nos. (011) 41543474
E-mail : rta@alankit.com
Website : www.alankit.com

3. Shareowners holding shares in electronic mode should address all their correspondence relating to change of address, change of Bank details etc. to their respective Depository Participants.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Kothari Products Limited

We have examined the compliance of conditions of Corporate Governance by Kothari Products Limited ("the Company"), for the year ended on 31st March, 2017 as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid SEBI Regulations.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareowners'/Investors' Grievance Committee.

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

For MEHROTRA & MEHROTRA
CHARTERED ACCOUNTANTS

Sd/-
(VIVEK KUMAR)
PARTNER

PLACE : KANPUR
DATE : 23rd May, 2017

DECLARATION BY CHIEF EXECUTIVE OFFICER

I, Deepak Kothari, Chairman & Managing Director of Kothari Products Ltd. hereby declare that all the Board Members and Senior Managerial Personnel have affirmed, for the year ended 31st March, 2017, compliance with the code of conduct of the Company laid down for them.

Sd/-
(Deepak Kothari)
Chairman & Managing Director

PLACE : KANPUR
DATE : 23rd May, 2017

CERTIFICATE BY C.E.O. AND C.F.O.

We, Deepak Kothari, Chairman & Managing Director and Anurag Tandon, Chief Financial Officer of Kothari Products Ltd., certify:-

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief;
 - these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading and
 - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
4. That we have informed the auditors and the audit committee of :
 - i. significant changes in internal control over financial reporting during the year; if any.
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kanpur
Date : 23rd May, 2017

Sd/-
(Deepak Kothari)
Chairman & Managing Director

Sd/-
(Anurag Tandon)
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Kothari Products Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of KOTHARI PRODUCTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and 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 Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the standalone Ind AS 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, as applicable.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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 and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 Board of Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by Section 143 (3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditors' 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MEHROTRA & MEHROTRA,
Chartered Accountants,
Firm Registration No. 00226C

(Vivek Kumar)
PARTNER
Membership No. 408227

Place: Kanpur
Date : 23rd May, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Kothari Products Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MEHROTRA & MEHROTRA,
Chartered Accountants,
Firm Registration No. 00226C

(Vivek Kumar)
PARTNER

Membership No. 408227

Place: Kanpur
Date : 23rd May, 2017

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner at reasonable intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to information and explanations given to us and the records examined by us, we report that , the title deeds, comprising all the immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification, which were not material, have been properly dealt with in the books of accounts.
- (iii) (a) The Company has given unsecured loans to its subsidiary companies and associate companies covered in the register maintained under Section 189 of the Companies Act, 2013. Total year end balance of unsecured loan to its two subsidiary companies and three associate companies were ₹ 10114 lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest (other than interest free loans to its one subsidiary and one associate company) and other terms & conditions of the loan given by Company, are not prima facie prejudicial to the interest of the Company.
- (c) The principal amounts are repayable on demand and there is no repayment schedule. The amount of interest is also payable on demand.
- (d) There is no overdue amount of principal or interest.
- (e) The Company has taken unsecured loans from one of its directors and year end outstanding has been ₹ NIL except this the company has taken no loans or advances from companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (f) The rate of interest and other terms and conditions are not prejudicial to the interest of the company.
- (g) The principal and interest are payable on demand and there is no repayment schedule.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the CARO is not applicable.
- (vi) Having regard to the nature of the Company’s business / activities, reporting under clause (vi) of the CARO 2016 is not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income-tax, Sales tax / Value Added Tax, Wealth Tax, Service tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income-tax, Wealth-tax, Service-tax, Sales-tax / Value Added Tax, Custom duty and Cess as at 31st March, 2017 which were outstanding for a period of more than six months from the date they became payable.
- (b) According to the information & explanations given to us, there is no disputed amount payable in respect of Income-tax, Wealth-tax, Service-tax, Sales-tax / Value Added Tax, Custom duty and Cess as at 31st March, 2017.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and has not taken any term loan during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions 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 and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors, directors of its subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For MEHROTRA & MEHROTRA,
Chartered Accountants,
Firm Registration No. 00226C

(Vivek Kumar)
PARTNER

Membership No. 408227

Place: Kanpur
Date : 23rd May, 2017

BALANCE SHEET AS AT 31st MARCH, 2017
(Amount in ₹ Lacs)

	NOTE	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. ASSETS				
(1) Non-current Assets				
Property, Plant and Equipment	3	1012	1086	954
Investment Property	4	2175	1679	1694
Financial Assets				
Investments	5	32178	31385	15428
Loans	6	7547	7680	13210
Deferred Tax Assets	7	159	651	775
(2) Current Assets				
Inventories	8	4548	7625	6813
Financial assets				
Investments	9	121234	104080	139493
Trade Receivables	10	149227	175680	177471
Cash and Cash Equivalents	11	4048	4907	3278
Bank Balances other than above	12	162	162	535
Loans	13	4516	13793	14743
Other Financial Assets	14	2747	1988	2821
Current Tax Assets (Net)	15	779	808	1299
TOTAL ASSETS		330332	351524	378514
II. EQUITY & LIABILITIES				
(1) Equity				
Equity Share capital	16	2984	2984	1990
(2) Other Equity				
Reserves & Surplus	17	79437	74064	70596
(3) Non-current liabilities				
Financial Liabilities				
Long Term Borrowings	18	51	0	0
Other Non Current Liabilities	19	87	44	42
(4) Current Liabilities				
Financial Liabilities				
Borrowings	20	10977	4949	12305
Trade Payables	21	192951	239228	222615
Provisions	22	1078	0	1552
Other Current Liabilities	23	42767	30255	69414
TOTAL EQUITY & LIABILITY		330332	351524	378514
Significant Accounting Policies	1			
Notes are an integral part of the financial statements.	2-44			

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn NO. 000226C
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(VIVEK KUMAR)
Partner
Membership No. 408227

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

Place : Kanpur
Date : 23rd May, 2017

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31st MARCH, 2017

		(Amount in ₹ Lacs)	
	NOTE	Year Ended 31st March 2017	Year Ended 31st March 2016
I. REVENUE FROM OPERATIONS :			
Revenue from operations	24	434804	464488
Other income	25	3225	1371
Total Income		<u>438029</u>	<u>465859</u>
II. EXPENSES :			
Purchase of stock-in-trade	26	411664	448063
Changes in inventories	27	3077	-811
Employee benefit expense	28	238	203
Depreciation and amortisation expense	3 & 4	159	169
Other Expenses	29	10941	7151
Finance Cost	30	2400	2701
Total Expenses		<u>428479</u>	<u>457476</u>
III. PROFIT BEFORE EXCEPTIONAL ITEMS & TAX			
		9550	8383
Exceptional items		0	0
		<u>9550</u>	<u>8383</u>
IV. PROFIT/(LOSS) BEFORE TAX			
Income Tax Expense			
Current tax		2660	2626
Deferred tax		492	123
Excess Provision of Income Tax for Earlier Year (Net)		-53	93
V. PROFIT/(LOSS) FOR THE YEAR			
		<u>6451</u>	<u>5541</u>
VI. OTHER COMPREHENSIVE INCOME			
A. Items that may be reclassified to profit or loss		0	0
Income Tax relating to these Items		0	0
B. Items that will not be reclassified to profit or loss		0	0
Income Tax relating to these Items		0	0
Other Comprehensive Income for the Year (Net of Tax)		<u>0</u>	<u>0</u>
VII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		<u>6451</u>	<u>5541</u>
VIII. EARNINGS PER SHARE			
Basic EPS (Refer Note No. 38) (₹)		21.62	18.57
Diluted EPS (Refer Note No. 38) (₹)		21.62	18.57
Significant Accounting Policies	1		
Notes are an integral part of the financial statements.	2-44		

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn NO. 000226C
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(VIVEK KUMAR)
Partner
Membership No. 408227

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

Place : Kanpur
Date : 23rd May, 2017

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

Notes to Financial Statements

Note:1 SIGNIFICANT ACCOUNTING POLICIES

1.1. STATEMENT OF COMPLIANCE:

The Financial statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS").

Up to the year ended 31 March, 2016, The Company prepared its financial statements in accordance with generally accepted accounting principles in India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015.

1.2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

A. SYSTEM OF ACCOUNTING :

The Financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with Indian Accounting Standards (Ind AS).

B. USE OF ESTIMATES :

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

1.3. Property plant and equipment (PPE)

Property plant and equipments are stated at cost, comprising of purchase price, duty, levies and any direct attributable cost of bringing the assets to their working condition for the intended use. Depreciation is provided according to straight line method on the basis of useful lives of the assets as prescribed by the Schedule II to the Companies Act, 2013 and Provision for impairment loss is recognised to the extent by which the carrying amount of an asset exceeds its recoverable amount.

1.4. LEASE ACCOUNTING :

- (i) All the lease agreements of the Company are in respect of operating lease of the premises (residential and business premises etc.).
- (ii) The aggregate lease rentals payable are charged to the Statement of Profit & Loss as Rent Expense.
- (iii) The cancellable lease agreements are usually renewable by mutual consent at mutually agreeable terms. Non-cancelable lease agreements for a specified period are renewable at the option of the lessee/licensee at mutually agreed term.
- (iv) The aggregate lease rentals receivable for the year is credited to the Statement of Profit & Loss as Rental Income .

1.5. INVENTORIES :

Inventories are valued at cost arrived at FIFO basis or net realisable value whichever is lower.

1.6. INVESTMENTS :

Investments are stated at cost except those investments which are to be stated at fair value as per Ind AS. On disposal of an investment, the difference between its carrying amount and net disposal proceed is charged or credited to the Statement of Profit and Loss. Profit or Loss on sale of investments is determined on a first-in-first-out (FIFO) basis.

1.7. TRANSACTIONS IN FOREIGN CURRENCY :

a) Initial recognition :

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

b) Measurement of foreign currency items at the Balance Sheet date :

Foreign currency monetary items of the Company are reinstated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

c) Forward Exchange Contracts :

In respect of the transactions covered by forward exchange contracts, the difference between the year end rates and the exchange rate at the date of contract is recognised in statement of profit and loss and the premium paid on forward contract is recognised over the life of the contract.

1.8. REVENUE RECOGNITION:

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of CST / VAT and are net of returns.

Dividend income is recognised when the right to receive payment is established. Interest income is recognised on the time proportion basis.

1.9. EMPLOYEE RETIREMENT BENEFITS :

- a. Company's contribution to Employees' Provident Fund is charged to Statement of Profit and Loss.
- b. Company has taken a Group Gratuity Cash Accumulation Policy from LIC for its employees including directors and the premium for the policy is charged to Statement of Profit and Loss.

1.10. PROVISIONS FOR TAXATION:

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing difference between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future ; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

1.11. PROVISIONS & CONTINGENCIES:

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

1.12. EARNING PER SHARE:

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

1.13. PROPOSED DIVIDEND:

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the Annual General Meeting except in case of interim dividend.

1.14. BORROWING COSTS:

Borrowing Costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised. Other borrowing costs are expensed out.

1.15. GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty about its realisation.

Note : 2

The reconciliation of Equity from the previous Indian GAAP to IND-AS as on:-

Sr. No.	Particulars	(Amount in ₹ Lacs)	
		31-Mar-16	1-Apr-15
a	Equity under previous Indian GAAP	78,222	74,154
	Benefit / (Charge) :		
b	Fair Value Adjustment relating to Investment in Mutual Funds and Listed Securities	1,077	801
c	Finance Income on Redeemable Debentures	605	282
d	Impact on discounting of Security Deposits:		
	Finance Expenses	(9)	(7)
	Lease Rent	27	20
e	Effect of Deferred Tax	608	816
f	Provision for Doubtful Debts	(3,482)	(3,482)
	Other Equity under Ind AS	77,048	72,584

The reconciliation of Net Profit from the previous Indian GAAP to IND-AS for the year ended :-

Sr. No.	Particulars	(Amount in ₹ Lacs)	
		31-Mar-16	1-Apr-15
a	Net Profit/ (Loss) after tax for the period under previous Indian GAAP	5,145	4,932
	Benefit / (Charge) :		
b	Fair Value Adjustment relating to Investment in Mutual Funds and Listed Securities	276	801
c	Finance Income on Redeemable Debentures	323	282
d	Impact on discounting of Security Deposits:		
	Finance Expenses	(3)	(7)
	Lease Rent	7	20
e	Provision for Doubtful Debts	-	(3,482)
f	Effect of Deferred Tax	(207)	816
	Net Profit / (Loss) for the period under Ind AS	5,541	3,362

Note:3

Property, Plant and Equipment

The changes in the carrying value of property, plant and equipment for the year ended 31 March, 2017 are as follows: (Amount in ₹ Lacs)

PARTICULARS	Land	Temporary Structure	Building (Office)	Building (Godown)	Motor Cars	Computers	Office Equipment	Furniture & Fixture	TOTAL
Gross carrying value as of April 1, 2016	251	77	273	297	1,264	29	133	37	2,361
Additions	-	-	-	-	42	2	8	13	65
Deletions/Transfer	-	-	-	-	30	-	-	-	30
Gross carrying value as of March 31, 2017	251	77	273	297	1,276	31	141	50	2,396
Accumulated Depreciation as of April 1, 2016	251	77	152	15	606	24	123	27	1,275
Depreciation for the year	-	-	9	5	113	1	3	4	135
Deduction / adjustments during the period	-	-	-	-	26	-	-	-	26
Accumulated Depreciation as of March 31, 2017	251	77	161	20	693	25	126	31	1,384
Carrying value as of March 31, 2017	-	-	112	277	583	6	15	19	1,012
Carrying value as of March 31, 2016	-	-	121	282	658	5	10	10	1,086

The changes in the carrying value of property, plant and equipment for the year ended 31 March, 2016 are as follows: Amount in ₹ Lacs

PARTICULARS	Land	Temporary Structure	Building (Office)	Building (Godown)	Motor Cars	Computers	Office Equipment	Furniture & Fixture	TOTAL
Gross carrying value as of April 1, 2015	251	77	273	297	1,018	26	129	37	2,108
Additions	-	-	-	-	330	3	4	-	337
Deletions/Transfer	-	-	-	-	84	-	-	-	84
Gross carrying value as of March 31, 2016	251	77	273	297	1,264	29	133	37	2,361
Accumulated Depreciation as of April 1, 2015	251	77	143	10	507	22	120	24	1,154
Depreciation for the year	-	-	9	5	132	2	3	3	154
Deduction / adjustments during the period	-	-	-	-	33	-	-	-	33
Accumulated Depreciation as of March 31, 2016	251	77	152	15	606	24	123	27	1,275
Carrying value as of March 31, 2016	-	-	121	282	658	5	10	10	1,086
Carrying value as of March 31, 2015	-	-	130	287	511	4	9	13	954

Note : 4

Investment Property

(Amount in ₹ Lacs)

Particulars	AS AT	AS AT	AS AT
	31.03.2017	31.03.2016	01.04.2015
Gross Amount			
Opening			
Depreciable Investment Property	980	980	980
Other Investment Property*	761	761	761
Additions (Depreciable)	520	-	-
Closing	<u>2,261</u>	<u>1,741</u>	<u>1,741</u>
Accumulated Depreciation			
Opening	62	47	33
For the year	24	15	14
Closing	<u>86</u>	<u>62</u>	<u>47</u>
Net Carrying Amount	<u>2,175</u>	<u>1,679</u>	<u>1,694</u>

* Includes a leasehold land allotted by New Okhla Industrial Development Authority, Ghaziabad for 99 years as per lease Deed dated 22nd February, 1985.

Note : 5

PARTICULARS	QUANTITY (NOS.)			(Amount in ₹ Lacs)		
	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT
	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
Investments (Non Current)						
A. Quoted - Non Trade (At Market Value)						
I. Equity Shares, Each, Fully Paid-up						
Agro Tech Foods Ltd. of ₹ 10/-	12000	12000	12000	65	56	77
Alok Industries Ltd. of ₹ 10/-	0	20000	20000	0	1	2
Alstom India Ltd of ₹ 10/-	0	38005	38005	0	231	277
Bajaj Corp Ltd. of Re.1/-	23944	23944	23944	95	92	110
Bajaj Finance Limited of ₹ 10/-	0	600	600	0	42	25
Bajaj Finance Limited of ₹ 2/-	6000	0	0	70	0	0
Britannia Industries Ltd of ₹ 2/-	1000	0	0	34	0	0
Camson Bio Technologies Ltd of ₹ 10/-	0	10000	10000	0	4	9
Camson Seeds Ltd of ₹ 10/-	10000	10000	0	1	0	0
Cummins India Ltd of ₹ 2/-	29894	29894	29894	283	252	263
G E Power India Ltd of ₹ 10/-	38005	0	0	222	0	0
Glaxosmithkline Consumer Healthcare Ltd of ₹ 10/-	1000	0	0	52	0	0
IDFC Limited of ₹ 10/-	94500	94500	94500	52	38	158
IDFC Bank Limited of ₹ 10/-	94500	94500	0	56	46	0
Jammu & Kashmir Bank Ltd. of Re.1/-	0	22500	22500	0	14	21
J M Financial Ltd. of Re.1/-	0	7500	7500	0	3	4
Jyothy Laboratories Ltd of Re.1/-	14000	14000	14000	50	41	38
Lanco Infratech Ltd. of Re.1/-	0	55000	55000	0	3	3
Larsen & Toubro Ltd. of ₹ 2/-	2000	2000	2000	32	24	34

NOTE : 5 CONTINUED

PARTICULARS	QUANTITY (NOS.)			(Amount in ₹ Lacs)		
	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT
	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
Man Industries (India) Ltd. of ₹ 5/-	0	5000	5000	0	3	2
Marico Ltd of Re.1/-	110000	110000	60500	324	269	233
Kaya Ltd. of ₹ 10/-	1210	1210	1210	9	10	19
Motherson Sumi Systems Ltd of Re.1/-	3000	3000	2000	11	8	10
Nakoda Limited of ₹ 5/-	0	20000	20000	0	0	0
NMDC Ltd of Re.1/-	20000	0	0	27	0	0
Omaxe Ltd. of ₹ 10/-	0	3000	3000	0	4	4
Oil and Natural Gas Corporation Ltd of Re.1/-	40000	0	0	74	0	0
Power Grid Corporation of India Ltd of ₹ 10/-	20000	0	0	40	0	0
Rallis India Ltd of Re.1/-	30000	30000	30000	78	51	68
Reliance Industries Ltd. of ₹ 10/-	25500	25500	25500	336	266	211
Stampede Capital Limited of ₹ 10/-	0	0	95000	0	0	178
Stampede Capital Limited of Re.1/-	600000	600000	0	121	227	0
State Bank of India of Re.1/-	150	150	150	0	0	0
Steel Authority of India Ltd of ₹ 10/-	50000	0	0	31	0	0
Dhanlaxmi Bank Limited of ₹ 10/-	215000	215000	215000	64	42	66
Karur Vysya Bank Ltd. of ₹ 10/-	0	45000	45000	0	197	245
Karur Vysya Bank Ltd. of ₹ 2/-	75000	0	0	84	0	0
Tata Steel Ltd. Of ₹ 10/-	5000	8500	0	24	27	0
Triveni Turbine Ltd. of Re.1/-	12500	12500	12500	18	12	16
Uflex Ltd. of ₹ 10/-	492056	492056	492056	1367	857	578
Usha Martin Ltd. of Re.1/-	0	10000	10000	0	1	2
Whirlpool of India Ltd. of ₹ 10/-	50000	96000	96000	612	675	706
Zylog Systems Ltd. of ₹ 5/-	0	90000	90000	0	4	4
Aggregate Market Value	TOTAL (A)			4232	3500	3363
B. Unquoted						
I. Non-trade (At Cost)						
(a) Capital Contribution in India Growth Fund				223	240	320
II. Trade (At Cost)						
(a) Investments in Equity Shares of wholly owned subsidiary Companies, each Fully paid up						
M.K. Web Tech Private Ltd. of ₹ 10/-	250000	250000	250000	190	190	190
KPL Exports Private Ltd. of ₹ 10/-	6000000	6000000	2000000	10500	10500	100

NOTE : 5 CONTINUED

PARTICULARS	QUANTITY (NOS.)			(Amount in ₹ Lacs)		
	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT
	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
(b) Investments in Equity Shares of other subsidiary Companies, each Fully paid up						
Blackplinth Realtors Pvt Ltd of ₹ 10/-	27000	27000	27000	3	3	3
Savitrimata Realtors Pvt. Ltd. Class B Shares of ₹ 10/-	25500	25500	25500	107	107	107
Kothari Products Singapore Pte. Ltd. of SGD1/-	10000000	10000000	10000000	3746	3746	3746
(c) Investments in Equity Shares of other Companies, each Fully paid up						
Hara Parvati Realtors Pvt. Ltd. of ₹ 10/-	25000	25000	12750	1624	1624	1
Real Griha Nirman Private Ltd. of ₹ 10/-	10000	10000	10000	1	1	1
Shubhadra Realtors Private Ltd. of ₹ 10/-	10000	10000	10000	1	1	1
Sankhya Realtors Private Ltd. of ₹ 10/-	10000	10000	10000	1	1	1
SPPL Hotels Private Ltd. of ₹ 10/-	250000	250000	127500	478	478	13
Sattva Realtors Pvt Ltd of ₹ 10/-	12500	12500	12500	1	1	1
Neelanchal Con-tech Private Limited of ₹ 10/-	10000	10000	10000	1	1	1
Sukhdham Constructions & Developers Limited of ₹ 10/-	0	100000	100000	0	10	10
Riverview Land Developers Pvt Ltd of ₹ 10/-	90000	90000	90000	9	9	9
(d) Investment in Preference Shares of other companies, each fully paid-up of ₹ 10/- each						
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1621271	1621271	1621271	2770	2770	2770
0.001% Non Cumulative Compulsorily Convertible Preference Shares of SPPL Hotels Pvt. Ltd.	1557692	1557692	0	1480	1480	0
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of Hara Parvati Realtors Pvt. Ltd.	849233	849233	849233	591	591	591
0.001% Non Cumulative Compulsorily Convertible Preference Shares of Hara Parvati Realtors Pvt. Ltd.	815929	815929	0	1477	1477	0
(d) Others						
National Savings Certificate (Deposited with Commercial Tax)				0	0	0

PARTICULARS	QUANTITY (NOS.)			(Amount in ₹ Lacs)		
	AS AT	AS AT	AS AT	AS AT	AS AT	AS AT
	31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015
III. Trade (At Amortized Cost)						
(a) Investments in Debentures of other subsidiary Companies						
1% Redeemable Non Convertible Debentures of Savitrimata Realtors Private Limited (At Amortized Cost)	255000	255000	241800	3010	2812	2502
(b) Others						
1% Unsecured Non Convertible Debentures of Real Griha Nirman Private Limited	30000	30000	30000	415	383	353
1% Optionally Convertible Debentures of Neelanchal Con-tech Private Limited	10000	12000	12000	1318	1460	1345
				TOTAL (B)	27946	27885
				TOTAL (A+B)	32178	12065
					31385	15428

Particulars	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
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Note : 6

Loans (Non Current)

Unsecured, Considered Good

(a) Security Deposits	19	11	8
(b) Loans & Advances to related parties			
(i) Loans to Associate Companies/Enterprises over which KMP are able to exercise significant influence	5336	4988	8411
(ii) Loans to Subsidiaries:-			
Savitrimata Realtors Pvt. Ltd.	59	53	174
M.K. Web Tech Pvt. Ltd.	203	0	209
Blackplinth Realtors Pvt. Ltd.	0	141	2298
(c) Other Loans & Advances			
Advance for Properties	67	67	67
Loans to Others	1863	2420	2043
	(A)	7547	13210

Unsecured, Considered Doubtful

Loans to Others	100	100	100
Less: Provision for Doubtful Debts	100	100	100
	(B)	0	0
	TOTAL (A+B)	7547	13210

(Amount in ₹ Lacs)

Particulars	AS AT	AS AT	AS AT
	31.03.2017	31.03.2016	01.04.2015
Note : 7			
Deferred Tax Assets (Net)			
Deferred Tax Assets			
Arising Due to Time Difference between Books of Accounts and Income-tax Act, 1961	159	651	775
TOTAL	159	651	775
Component of Deferred Tax Assets (Net)			
Property, Plant and Equipment	40	42	-41
Financial Assets	-1065	-575	-368
Provisions	1184	1184	1184
TOTAL	159	651	775

Note : 8

Inventories -

(At cost on FIFO basis or net realisable Value whichever is lower, as certified by the management)

Trading Items	1462	2306	1670
Real Estate (Work-in-progress)	2443	3932	5143
Real Estate (Constructed Premises)	643	1387	0
TOTAL	4548	7625	6813

Note : 9

PARTICULARS	QUANTITY (NOS.)			(Amount in ₹ Lacs)		
	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Investments (Current)						
A. Mutual Funds-At Market Value						
I. Units, each, fully paid up						
Axis Fixed Income Opportunity Fund Growth of ₹ 10/-**	21952856.455	0.000	0.000	2815	0	0
HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Weekly Dividend of ₹ 10/-	0.000	0.000	151182.402	0	0	15
BOI AXA Capital Protection Oriented Fund-Series 2-Regular Plan Growth of ₹ 10/-	999990.000	999990.000	999990.000	108	101	102
Canara Robeco Capital Protection Oriented Fund-Series 7 Regular Growth-C7-GP of ₹ 10/-	1200000.000	0.000	0.000	125	0	0
ICICI Prudential Corporate Bond Fund-Growth of ₹ 10/-**	9749361.448	0.000	0.000	2473	0	0
Invesco India Corporate Bond Opportunity Fund-Regular Plan-Growth of ₹ 1000/-	79.086	0.000	0.000	1	0	0
Kotak Income Opportunity Fund-Growth (Regular Plan) of ₹ 10/-**	10376106.457	0.000	0.000	1862	0	0

PARTICULARS	QUANTITY (NOS.)			(Amount in ₹ Lacs)		
	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
L&T Resurgent India Corporate Bond Fund Growth of ₹ 10/-**	4131238.761	0.000	0.000	506	0	0
Reliance Money Manager Fund-Growth Plan Growth Option of ₹ 1000/-	23486.676	52060.260	0.000	527	1080	0
Reliance Liquid Fund-Treasury Plan-Growth of ₹ 1000/-	1417.027	0.000	0.000	56	0	0
Reliance Corporate Bond Fund-Growth Plan of ₹ 10/-**	6141610.177	0.000	0.000	809	0	0
Reliance Regular Saving Fund-Debt Plan-Growth Plan Growth Option of ₹ 10/-**	4474.333	0.000	0.000	1	0	0
SBI Magnum Income Fund-Regular Plan-Growth of ₹ 10/-**	10623145.935	5617959.124	5617959.124	4288	2012	1901
SBI Corporate Bond Fund- Regular Plan-Growth of ₹ 10/-**	3869.475	0.000	0.000	1	0	0
UTI-Liquid Cash Plan-Institutional-Growth of ₹ 1000/-	15740.065	0.000	0.000	418	0	0
Aggregate Market Value	TOTAL (A)			13990	3193	2018
(B) Fixed Deposit Accounts (Including interest accrued but not due) **	TOTAL (B)			107244	100887	137475
	TOTAL (A+B)			121234	104080	139493

**Pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company

Particulars	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Note : 10			
Trade Receivables (Current)			
Unsecured Considered Doubtful	3382	9086	8541
Unsecured Considered Good	149227	169976	172312
	<u>152609</u>	<u>179062</u>	<u>180853</u>
Less: Provision for Doubtful Debts	3382	3382	3382
TOTAL	<u>149227</u>	<u>175680</u>	<u>177471</u>

Note : 11

Cash & Cash Equivalent

Cash & Bank Balances:

(a) Cash in hand and in transit	3	36	87
(b) Cheques in Hand	100	0	2400
(c) Balances with Scheduled Banks			
In Current Accounts & E E F C Accounts	3945	4871	791
TOTAL	<u>4048</u>	<u>4907</u>	<u>3278</u>

The details of Specified Bank Notes and other denomination note held and transacted during the period from November 8, 2016 to December 30, 2016, as required by MCA notification G.S.R. 308(E) dated March 30, 2017 are given below:-

Particulars	Specified Bank Notes*	Other Denomination Notes	Total
Closing Cash-in-Hand as on 08.11.2016	34	0	34
(+) Permitted Receipts	0	5	5
(-) Permitted Payments	0	4	4
(-) Amount Deposited in Banks	34	0	34
Closing Cash-in-Hand as on 30.12.2016	0	1	1

*The term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated 8th November, 2016.

(Amount in ₹ Lacs)

Particulars	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Note : 12			
Bank Balances other than Cash and Cash Equivalent			
(a) Balances with Scheduled Banks			
(i) In Unclaimed Dividend accounts	23	33	20
(ii) In Fixed Deposit Accounts (Including interest accrued but not due)	139	129	515
TOTAL	162	162	535
Note : 13			
Loans (Current)			
Unsecured Considered Good			
-Loans & Advances to related parties			
Due from KPL Exports Pvt. Ltd., A Wholly Owned Subsidiary	4516	13793	14743
TOTAL	4516	13793	14743
Note : 14			
Other Financial Assets (Current)			
Unsecured Considered Good			
Other Loans & Advances			
-Advance recoverable in cash or in kind or for value to be received or pending adjustments	2747	1988	2821
TOTAL	2747	1988	2821
Note : 15			
Current Tax Assets (Net)			
Advance Income Tax and Tax Deducted at Source	8561	8055	9119
Less: Provision for Tax	7782	7247	7820
TOTAL	779	808	1299
Note : 16			
SHARE CAPITAL			
AUTHORISED :			
31000000 [31000000 (2015-16), 21000000 (2014-15)] Equity Shares of ₹ 10/- each	3100	3100	2100
ISSUED, SUBSCRIBED AND PAID UP :			
29843865 [29843865 (2015-16), 19895910 (2014-15)] Equity Shares of ₹ 10/- each fully paid up	2984	2984	1990
TOTAL	2984	2984	1990

16.1. The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each Holder of equity share 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 in proportion to the number of equity shares held by the share holders.

16.2 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
Equity Share of ₹ 10/- each fully paid up:-						
Opening Balance	29843865	2984	19895910	1990	6631970	663
Bonus Issue	-	0.000	9947955	994	13263940	1327
Closing Balance	29843865	2984	29843865	2984	19895910	1990

16.3 Details of shares held by shareholders holding more than 5% shares	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	Number of shares held	holding %	Number of shares held	holding %	Number of shares held	holding %
Equity Share of ₹ 10/- each fully paid up:-						
a) Mrs. Arti D Kothari	0	0.00%	0	0.00%	1895316	9.53%
b) Mr. Deepak Kothari jointly with Mrs. Arti D Kothari	16576596	55.54%	16576596	55.54%	9155748	46.02%
c) Mitesh Kothari (HUF)	1828098	6.13%	1828098	6.13%	1218732	6.13%
d) Dham Securities Pvt Ltd	3299998	11.06%	3299998	11.06%	2199999	11.06%
e) Magnus Properties Pvt Ltd	1690114	5.66%	1690114	5.66%	1126743	5.66%

(Amount in ₹ Lacs)

Particulars	AS AT	AS AT	AS AT
	31.03.2017	31.03.2016	01.04.2015

Note : 17

Reserves and Surplus:

(a) Preference Shares Redemption Reserve

As per last Balance Sheet	0	0	3
Less : Utilised during the year for issue of Bonus Share	0	0	3
Closing balance	0	0	0

(b) General Reserve

As per last Balance Sheet	34598	35078	35908
Add : Transferred from Statement of Profit & Loss	645	515	493
Less : Utilised during the year for issue of Bonus Share	0	995	1323
Closing balance	35243	34598	35078

(c) Statement of Profit & Loss - As per account annexed

As per last Balance Sheet	39466	35518	34409
Add-Profit for the year	6451	5541	3362
	45917	41059	37771
Less-Appropriations			
Transfer to General Reserve	645	515	493
Interim Dividend Paid	0	896	0
Tax on Interim Dividend Paid	0	182	0
Proposed Dividend on Equity Shares	896	0	1293
Provision for Tax on Proposed Dividend	182	0	259
Adjustment related to Fixed Assets	0	0	208
Closing balance	44194	39466	35518
TOTAL	79437	74064	70596

(Amount in ₹ Lacs)

Particulars	AS AT	AS AT	AS AT
	31.03.2017	31.03.2016	01.04.2015
Note : 18			
Long Term Borrowings			
Unsecured			
Car Loan	51	0	0
TOTAL	51	0	0

Note : 19

Other Non Current Liabilities

Security Deposit Accepted Against Lease Agreement	87	44	42
TOTAL	87	44	42

Note : 20

Borrowings

Secured:

Overdraft against TDRs from Nationalised Banks	8711	4735	11024
Cash Credit Limits from Nationalised Banks	0	1	94
Export Packing Credit Limits from Nationalised Banks	2200	0	1004
TOTAL	10911	4736	12122

20 (a) (i) Description of the Security Given:

The details of the securities given by the Company under consortium banking arrangement lead by Allahabad Bank are as follows:-

Prime Securities:

Hypothecation charge on Current Assets of the Company both current and future , ranking pari-passu with other member banks.

Collateral Securities:

I. Equitable mortgage of following properties (on pari-passu basis):

- Property at Noida owned by the Company.
- Three different properties at Bengaluru owned by the Companies over which Key Managerial Personnel are able to exercise significant influence.
- Property at Bengaluru owned by a wholly owned subsidiary Company.
- Property at Pune owned by the Director of the Company.

II. Lien on Term Deposit of ₹ 2203 lacs

III. Lien on Mutual Funds of ₹ 1715 lacs

IV. Lien of Term Deposit of ₹ 279 lacs exclusively with India Overseas Bank.

Guarantees:

I. Corporate Guarantee by a wholly owned subsidiary Company and by the three different Companies over which Key

Managerial Personnel are able to exercise significant influence.

II. Personal Guarantee by the two directors of the Company.

20(a)(ii) Default in terms of repayment of principal and interest-NIL

Particulars	(Amount in ₹ Lacs)		
	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Unsecured			
Loan From Directors	0	50	183
Car Loan	66	163	0
TOTAL	66	213	183
GRAND TOTAL	10977	4949	12305
Note : 21			
Trade Payables			
Trade Payables (including acceptances)	192951	239228	222615
TOTAL	192951	239228	222615
Note : 22			
Provisions			
Proposed Dividend	896	0	1293
Tax on Proposed Dividend	182	0	259
TOTAL	1078	0	1552
Note : 23			
Other Current Liabilities			
Advance Against Orders	41545	29143	68819
Due to Directors	5	7	4
Unpaid/ Unclaimed Dividend	23	33	20
Statutory Liabilities	28	42	34
Outstanding Liabilities	1166	1030	537
TOTAL	42767	30255	69414

(Amount in ₹ Lacs)

Particulars	Year Ended 31-March 2017	Year Ended 31-March 2016
Note : 24		
Revenue from Operations		
(a) Sales of Traded Goods	419185	452544
(b) Other Operating Revenues		
(i) Interest Earned on Bank Deposits held for Business Purposes & Others	8517	11182
(ii) Rental Income	414	403
(iii) Compensation Received	5100	0
(iv) Net Gain on Foreign Currency Transactions and Translation	1256	0
(v) Miscellaneous Income	332	359
TOTAL	<u>434804</u>	<u>464488</u>

Note : 25

Other Income

(a) Dividend Income	32	50
(b) Interest on Loans to Subsidiaries	858	284
(c) Interest on Other Loans & Advances	400	563
(d) Net Gain on Investments Carried at Fair Value through Profit & Loss	1416	276
(e) Net Gain on Disposal of Investments	519	198
TOTAL	<u>3225</u>	<u>1371</u>

Note : 26

Purchases of Stock-in-trade

Purchases of Traded Goods	411664	448063
TOTAL	<u>411664</u>	<u>448063</u>

Note : 27

Increase (-) / Decrease (+) in Inventories of Stock-in-trade

Opening Stock :

Trading Items	2306	1670
Real Estate (Work-in-progress)	3932	5143
Real Estate (Constructed Premises)	1387	0
TOTAL	<u>7625</u>	<u>6813</u>

Closing Stock

Trading Items	1462	2306
Real Estate (Work-in-progress)	2443	3932
Real Estate (Constructed Premises)	643	1387
TOTAL	<u>4548</u>	<u>7625</u>
	<u>3077</u>	<u>-811</u>

(Amount in ₹ Lacs)

Particulars	Year Ended 31-March 2017	Year Ended 31-March 2016
Note : 28		
Employee Benefit Expenses		
Salaries, Wages and Bonus	142	114
Contribution to Provident and other Funds	10	8
Gratuity	2	0
Staff welfare and Other Expenses	84	81
TOTAL	238	203

Note : 29

Other Expenses

Electricity Expenses	55	60
Bank Charges	2432	2118
General Insurance	31	21
Rent	176	153
Rates & Taxes	1	1
Net Loss on Foreign Currency Transactions and Translation	0	2862
Repairs :		
Building	68	45
Others	34	37
Travelling & Conveyance	113	130
Miscellaneous Expenses	1216	1078
Corporate Social Responsibility Expenses	143	152
Net Loss on Disposal of Property, Plant and Equipments	0	3
Payment to Auditors :		
Statutory Audit Fee	3	3
Tax Audit Fee	1	1
Directors' Remuneration	30	20
Directors' Commission	764	467
Directors' Sitting Fee	0	0
Bad Debts	5874	0
TOTAL	10941	7151

Note : 30

Finance Cost

Interest Cost	2400	2701
TOTAL	2400	2701

(Amount in ₹ Lacs)

Particulars	As at	As at
	31 March 2017	31 March 2016
Note : 31		
Contingent Liabilities:-		
31.1 Corporate Guarantees issued by the Company to certain banks on behalf of one of its subsidiary	40422	39235
	(USD 62.34 Million)	(USD 59.15 Million)
31.2 Corporate Guarantees issued by the Company to Nationalised banks on behalf of associate companies	38300	38300
31.3 Corporate Guarantees issued by the Company to Nationalised banks on behalf of one of its wholly owned subsidiary	32500	42500

Particulars	Year Ended	Year Ended
	31-March 2017	31-March 2016
Note : 32		
VALUE OF IMPORTS (C.I.F.BASIS) :		
Stock-in-trade	402576	447073

Particulars	Year Ended	Year Ended
	31-March 2017	31-March 2016
Note : 33		
EXPENDITURE IN FOREIGN CURRENCY :		
Travelling Expenses	18	8
Import of Goods- Trading Items	402576	447073
Export Commission	34	727

Particulars	Year Ended	Year Ended
	31-March 2017	31-March 2016
Note : 34		
EARNING IN FOREIGN CURRENCY :		
Export of goods on F.O.B. Basis	315753	393886

Particulars	Year Ended	Year Ended
	31-March 2017	31-March 2016
Note : 35		
PAYMENT TO AUDITORS :		
(a) As Auditors	3	3
(b) For Tax Audit	1	1

Particulars	Year Ended	Year Ended
	31-March 2017	31-March 2016
Note : 36		
Segment Information (Information about Business Segments) :		
36.1 The Company operates in two business segments-		
(a) Trading Items		
(b) Real estate etc		

(Amount in ₹ Lacs)

Year Ended 31-March 2017 Year Ended 31-March 2016

36.2 Segment Information are as under-

(A) Segment Revenue (Net Sales/ Income)

(a) Trading Items	428953	463872
(b) Real Estate etc.	<u>9076</u>	<u>1987</u>
	<u>438029</u>	<u>465859</u>

(B) Segment Results (Profit(+)/ Loss(-) Before Tax)

(a) Trading Items	5602	9510
(b) Real Estate etc.	<u>6348</u>	<u>1574</u>
Net Profit Before Interest	11950	11084
(c) Interest Expenses	<u>2400</u>	<u>2701</u>
Net Profit Before tax	9550	8383

(C) Segment Assets

	As at	As at
	31.03.2017	31.03.2016
(a) Trading Items	285396	320398
(b) Real Estate etc.	<u>44936</u>	<u>31126</u>
	<u>330332</u>	<u>351524</u>

(D) Segment Liabilities

(a) Trading Items	247017	269911
(b) Real Estate etc.	<u>893</u>	<u>4565</u>
	<u>247910</u>	<u>274476</u>

Note:37

Related Parties Disclosures in accordance with Ind AS 24.

Details of Related parties with whom transactions have taken place during the year and having outstanding at the end of the year are as under:-

(i) Names of Related Parties and Description of Relationship :

(A) Key Managerial Personnel & their Relatives :

- | | |
|--|--|
| (a) Shri Deepak Kothari - Chairman & Managing Director | (f) Dr. Avinash Gupta - Non Executive Director |
| (b) Shri Mitesh Kothari - Executive Director | (g) Shri Vikas Chaturvedi - Non Executive Director |
| (c) Smt. Hemani Gowani | (h) Smt. Arti Kothari |
| (d) Smt. Poonam Acharya - Non Executive Director | (i) Shri Raj Kumar Gupta- C S & Compliance Officer |
| (e) Shri Pramod Kumar Tandon - Non Executive Director | (j) Shri Anurag Tandon- CFO |

(B) Associate Companies:

- Real Griha Nirman Private Limited
- Sankhya Realtors Private Limited
- Neelanchal Con-tech Private Limited
- Hara Parvati Realtors Private Limited
- SPPL Hotels Private Limited
- Subhadra Realtors Private Limited
- Raj Power Parts & Engineering Co. Limited
- Sattva Realtors Private Limited

(C) Enterprises over which Key Managerial Personnel are able to exercise significant influence :

- BKC Properties Pvt. Limited
- Dham Securities Pvt. Limited
- Ekta Flavours Pvt. Limited
- Kothari Detergents Limited
- Lohewala Construction Pvt. Limited
- Pan Parag India Limited
- Sukhdham Constructions & Developers Limited
- Riverview Land Developers Pvt Limited

(D) Subsidiary Companies :

- (I) Direct Subsidiary:
- (a) MK Web-Tech Pvt. Limited
 - (b) KPL Exports Pvt. Limited
 - (c) Kothari Products Singapore Pte. Limited
 - (d) Savitrimata Realtors Pvt. Limited
 - (e) Blackplinth Realtors Pvt Limited
- (II) Indirect Subsidiary:
- Pinehills (Singapore) Pte. Ltd., a wholly owned subsidiary of Kothari Products Singapore Pte. Limited

(ii) Summary of Transactions:

(Amount in ₹ Lacs)

Particulars	Key Managerial Personnel & Relatives		Associate Companies / Others in which KMP have significant influence		Subsidiary Companies	
	For the year ended / As on		For the year ended / As on		For the year ended / As on	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Directors'/KMP Remuneration etc.	835	518	-	-	-	-
On Account of Expenses	16	16	166	156	-	-
On Account of Interest on Loan Taken	9	110	-	-	-	-
On Account of Income - Rent	-	-	3	12	1	1
Interest Income on Loan Given	-	-	393	350	858	284
Interest Received including amortisation of premium on Debentures	-	-	106	159	223	204
Investment in Shares During the year	-	-	-	5,045	-	10,400
Investment in Debentures During the year	-	-	-	-	-	132
Redemption of Debenture (Investment) During the year	-	-	200	-	-	-
Dividend Paid	-	1,399	-	242	-	-
Corporate Guarantees issued and outstanding as on date	-	-	38,300	38,300	72,922	81,735
Outstanding (Payable)	5	57	-	-	-	-
Outstanding (Receivable)	-	-	5,336	4,988	4,779	13,988

Note : Since no amount is considered as bad & doubtful, neither provision is made for the same nor amount written off.

2016-17 2015-16

Note : 38

Earning Per Share

(a) Profit after tax (Profit attributable to Equity Shareholders)	6451	5541
(b) Weighted average nos. of Equity Shares for Basic / Diluted EPS	29843865	29843865
(c) Nominal Value of Equity Share (in ₹)	10.00	10.00
(d) Basic and Diluted Earning per Equity Share (in ₹)	21.62	18.57

Note : 39

(A) Forward Contracts (hedged) outstanding as at Balance Sheet date are as under -

(Figures in Lacs)

Particulars of Derivatives	Derivative Contracts	31.03.2017		31.03.2016		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	522	33817	1578	104673	Hedge of Export and other Receivables
	EURO/INR	96	6621	0	0	
Buy	USD/INR	995	64538	1184	78511	Hedge of Import and other Payables
	EURO/INR	106	7315	0	0	

(B) Unhedged Foreign Currency Exposures as at Balance Sheet date are as under-

(Figures in Lacs)

Particulars	Currency	31.03.2017		31.03.2016	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	1247	80883	930	61681
	EURO	405	28063	0	0
Import and other Payables	USD	1385	89795	2782	184544
	EURO	1001	69344	0	0

Note : 40

Operating Lease

The company's significant lease agreement is in respect of operating lease for Premises and the aggregate lease rentals receivable are credited to the Statement of Profit & Loss. The future minimum lease rents receivable under non-cancelable operating lease are as under:-

Particulars	As on 31.03.2017	As on 31.03.2016
Not later than one year	198	384
Later than one year and not later than five year	17	70
Later than five year	0	0

Note : 41

There is no amount due to be paid to 'Investor Education & Protection Fund' maintained by the Government of India as at the year end. These amounts shall be paid to the funds as and when they become due.

Note : 42

M/s Sukhdham Constructions & Developers Ltd. which was a wholly owned subsidiary of the Company has ceased to be its subsidiary w.e.f. 25-02-2017.

There has been gain of ₹ 325 Lacs on sale of entire shareholding of this company. Another Subsidiary company M/s Riverview Land Developers Pvt Ltd also ceased to be subsidiary of the Company w.e.f. 20-03-2017.

Note : 43

There is no amount due to Micro Enterprises and Small Enterprises, based on the records and the information received from suppliers.

Note : 44

The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of current year.

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn NO. 000226C
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(VIVEK KUMAR)
Partner
Membership No. 408227

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

Place : Kanpur
Date : 23rd May, 2017

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹ Lacs)

PARTICULARS	Year Ended 31st March, 2017		Year Ended 31st March, 2016	
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax		9550		8383
Adjustments for:				
- Depreciation	159		169	
- Finance Cost	2400		2701	
- Net Unrealised Forex Gain (-) / Loss	-3529		489	
- Fair Value Adjustment relating to Investment in Mutual Funds and Listed Securities	-1416		-276	
- Finance Income on Redeemable Debentures	-288		-323	
- Lease Rent- (Impact on discounting of Security Deposits)	-6		-6	
- Profit (-) / Loss on Sale of Property, Plant and Equipment	0		3	
- Net Profit on Sale of Investments	-519		-198	
- Interest Income	-1258		-847	
- Dividend Income	-32	-4489	-50	1662
Operating Profit before Working Capital Changes		5061		10045
Adjustments for:				
- Trade Receivables & Others	32931		-38474	
- Inventories	2557		-811	
- Trade Payables & Others	-37425	-1937	18053	-21232
Cash Generated from Operations		3124		-11187
Net Income Tax Paid		-2578		-2229
Net Cash Flow from Operating Activities		546		-13416
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
- Purchase of Property, Plant and Equipment	-65		-337	
- Sale of Property, Plant and Equipment	3		48	
- Purchase of Investments- Others	-23114		-8957	
- Purchase of Investments- Subsidiary	-		-10400	
- Sale of Investments-Others	6856		39742	
- Sale of Investments-Subsidiary Companies	335		-	
- Sale of Investments-Associate Companies	200		-	
- Loans to Subsidiary Companies (Net)	9210		3304	
- Loans to Associate Companies (Net)	-349		3425	
- Loans to Others	558		-378	
- Interest Received	1258		847	
- Investment in Bank Deposits	-10		385	
- Dividend Received	32	-5086	50	27729
Net Cash flow from/(used in) Investing Activities		-5086		27729

(Amount in ₹ Lacs)

PARTICULARS	Year Ended 31st March, 2017		Year Ended 31st March, 2016	
(C) CASH FLOW FROM FINANCING ACTIVITIES :				
- Secured Loans from Banks	6176		-7386	
- Unsecured Loan	-97		30	
- Dividend Paid	0		-2188	
- Tax on Dividend Paid	0		-441	
- Finance Cost	-2398		-2699	-12684
Net Cash flow from/(used in) Financing Activities	3681			-12684
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	-859			1629
Cash & Cash Equivalents - Opening Balance	4907			3278
Cash & Cash Equivalents - Closing Balance	4048			4907

Note: The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn NO. 000226C
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(VIVEK KUMAR)
Partner
Membership No. 408227

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

Place : Kanpur
Date : 23rd May, 2017

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Kothari Products Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Kothari Products Limited (hereinafter referred to as the Holding Company/ Company) and its subsidiaries (the Holding Company and its subsidiaries together referred to as the Group'), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, 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.

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 consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of certain subsidiaries included in the consolidated Ind AS financial statements whose financial statements reflect the total assets (net) of ₹ 48715 lacs as at 31st March, 2017, total revenue (net) of ₹ 102604 lacs and cash flows (net) amounting to ₹ 992 lacs for the year ended on that date, as considered in the consolidated Ind AS financial

statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Company's management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of other auditors.

Our report is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in Annexure A, which is based on the auditors' reports of the Holding company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary companies incorporated in India internal financial controls over financial reporting.
 - 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group does not have any pending litigations which would impact its financial position.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For MEHROTRA & MEHROTRA,
Chartered Accountants,
Firm Registration No. 00226C

(Vivek Kumar)
PARTNER

Membership No. 408227

Place: Kanpur
Date : 23rd May, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated Ind AS financial statements of Kothari Products Limited (hereinafter referred to as the Holding Company/the Company) as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 its business, including adherence to the respective 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.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 5 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For MEHROTRA & MEHROTRA,
Chartered Accountants,
Firm Registration No. 00226C

Place: Kanpur
Date : 23rd May, 2017

(Vivek Kumar)
PARTNER
Membership No. 408227

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017
(Amount in ₹ Lacs)

Particulars	NOTE	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
I. ASSETS				
(1) Non-current Assets				
Property, Plant and Equipment	3	1784	2660	2579
Investment Property	4	6028	5564	5612
Goodwill		787	798	798
Financial Assets				
Investments	5	13036	12067	8742
Loans	6	7937	8397	9289
Deferred Tax Assets	7	107	618	757
Other Non-Current Assets	8	0	0	0
(2) Current Assets				
Inventories	9	17424	22030	19897
Financial assets				
Investments	10	158113	169630	195854
Trade Receivables	11	221044	233020	248078
Cash and Cash Equivalents	12	5970	10204	3733
Bank Balances other than above	13	162	162	570
Other Financial Assets	14	8271	10663	13759
Current Tax Assets (Net)	15	1340	1079	1375
TOTAL ASSETS		442003	476892	511043
II. EQUITY & LIABILITIES				
(1) Equity				
Equity Share capital	16	2984	2984	1990
(2) Other Equity				
Reserves & Surplus	17	92799	86834	81744
Non Controlling Interests		18	17	20
(3) Non-current liabilities				
Financial Liabilities				
Long Term Borrowings	18	8800	8080	7259
Other Non Current Liabilities	19	87	268	265
(4) Current Liabilities				
Financial Liabilities				
Borrowings	20	19494	31428	19213
Trade Payables	21	259093	316565	300612
Provisions	22	1700	0	2150
Other Current Liabilities	23	57028	30716	97790
TOTAL EQUITY & LIABILITY		442003	476892	511043
Significant Accounting Policies	1			
Notes are an integral part of the financial statements.	2-43			

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn NO. 000226C
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(VIVEK KUMAR)
Partner
Membership No. 408227

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

Place : Kanpur
Date : 23rd May, 2017

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in ₹ Lacs)

	NOTE	Year Ended 31st March 2017	Year Ended 31st March 2016
I. REVENUE FROM OPERATIONS :			
Revenue From Operations	24	632810	686598
Other Income	25	2435	1087
Total Revenue		635245	687685
II. EXPENSES :			
Cost of materials consumed	26	83	15
Purchase of stock-in-trade	27	601611	660164
Changes in inventories	28	3617	-977
Employee benefit expense	29	606	532
Depreciation and amortisation expense	3 & 4	267	261
Other Expenses	30	12147	11034
Finance Costs	31	4581	4734
Total Expenses		622912	675763
III. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS, SHARE OF NET PROFITS OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD AND TAX			
		12333	11922
Share of Net Profits of Associates & Joint Ventures accounted for using Equity Method		-789	-1324
IV. Profit before Exceptional Items & Tax			
		11544	10598
Exceptional Items		0	0
V. Profit/(Loss) before Tax			
		11544	10598
Income Tax Expense			
Current tax		3504	3661
Deferred tax		511	136
Excess Provision of Income Tax for Earlier Year (Net)		-43	94
VI. PROFIT FOR THE YEAR :			
		7572	6707
VII. OTHER COMPREHENSIVE INCOME			
A. Items that may be reclassified to profit or loss		0	0
Income Tax relating to these Items		0	0
B. Items that will not be reclassified to profit or loss		0	0
Income Tax relating to these Items		0	0
Other Comprehensive Income for the Year (Net of Tax)		0	0
Less: Minorities Interest		0	0
VIII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		7572	6707
IX. EARNINGS PER SHARE			
(a) Basic (Refer Note No. 36) ₹		25.37	22.47
(b) Diluted (Refer Note No. 36) ₹		25.37	22.47
Significant Accounting Policies	1		
Notes are an integral part of the financial statements	2-43		

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn NO. 000226C
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(VIVEK KUMAR)
Partner
Membership No. 408227

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

Place : Kanpur
Date : 23rd May, 2017

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

Notes to Consolidated Financial Statements

Note:1 SIGNIFICANT ACCOUNTING POLICIES

1.1. STATEMENT OF COMPLIANCE:

The Financial statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (“Ind AS”).

Up to the year ended 31 March, 2016, The Company prepared its financial statements in accordance with generally accepted accounting principles in India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”). These are the Company’s first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015.

1.2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

A. BASIS:

The consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind-AS).The Consolidated Financial Statements comprise the financial statements of Kothari Products Limited and its subsidiaries, which have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances.

B. SYSTEM OF ACCOUNTING :

The Financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with Indian Accounting Standards (Ind AS).

C. USE OF ESTIMATES :

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

1.3. PROPERTY PLANT AND EQUIPMENT (PPE)

Property plant and equipments are stated at cost, comprising of purchase price, duty, levies and any direct attributable cost of bringing the assets to their working condition for the intended use. Depreciation is provided according to straight line method on the basis of useful lives of the assets as prescribed by the Schedule II to the Companies Act, 2013 and Provision for impairment loss is recognised to the extent by which the carrying amount of an asset exceeds its recoverable amount.

1.4. LEASE ACCOUNTING :

- (i) All the lease agreements of the Company are in respect of operating lease of the premises (residential and business premises etc.).
- (ii) The aggregate lease rentals payable are charged to the Statement of Profit & Loss as Rent Expense.
- (iii) The cancellable lease agreements are usually renewable by mutual consent at mutually agreeable terms. Non-cancellable lease agreements for a specified period are renewable at the option of the lessee/licensee at mutually agreed term.
- (iv) The aggregate lease rentals receivable for the year is credited to the Statement of Profit & Loss as Rental Income.

1.5. INVENTORIES :

Inventories are valued at cost arrived at FIFO basis or net realisable value whichever is lower.

1.6. INVESTMENTS :

Investments are stated at cost except those investments which are to be stated at fair value as per Ind AS.

On disposal of an investment, the difference between its carrying amount and net disposal proceed is charged or credited to the Statement of Profit and Loss. Profit or Loss on sale of investments is determined on a first-in-first-out (FIFO) basis.

1.7. TRANSACTIONS IN FOREIGN CURRENCY :**a) Initial recognition :**

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

b) Measurement of foreign currency items at the Balance Sheet date :

Foreign currency monetary items of the Company are reinstated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

c) Forward Exchange Contracts :

In respect of the transactions covered by forward exchange contracts, the difference between the year end rates and the exchange rate at the date of contract is recognised in statement of profit and loss and the premium paid on forward contract is recognised over the life of the contract.

1.8. REVENUE RECOGNITION:

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of CST / VAT and are net of returns.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

1.9. EMPLOYEE RETIREMENT BENEFITS :

- a. Company's contribution to Employees' Provident Fund is charged to Statement of Profit and Loss.
- b. Company has taken a Group Gratuity Cash Accumulation Policy from LIC for its employees including directors and the premium for the policy is charged to Statement of Profit and Loss.

1.10. PROVISIONS FOR TAXATION:

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing difference between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

1.11. PROVISIONS & CONTINGENCIES:

The Company creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

1.12. EARNING PER SHARE:

The Basic and Diluted Earnings Per Share ("EPS") is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

1.13. PROPOSED DIVIDEND:

Dividend recommended by the Board of directors is provided for in the accounts, pending approval at the Annual General Meeting except in case of interim dividend.

1.14. BORROWING COSTS:

Borrowing Costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised. Other borrowing costs are expensed out.

1.15. GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty about its realisation.

Note : 2

(A) The reconciliation of Equity from the previous Indian GAAP to IND-AS as on:-

(Amount in ₹ Lacs)

Sr. No.	Particulars	31-Mar-16	1-Apr-15
a	Equity under previous Indian GAAP	93,206	86,005
	Benefit / (Charge) :		
b	Fair Value Adjustment relating to Investment in Mutual Funds and Listed Securities	1,077	801
c	Finance Income on Redeemable Debentures	333	198
d	Impact on discounting of Security Deposits:		
	Finance Expenses	(9)	(7)
	Lease Rent	27	20
e	Losses of Associates Accounted for as per equity method	(1,942)	(617)
f	Effect of Deferred Tax	608	816
g	Provision for Doubtful Debts	(3,482)	(3,482)
	Equity under Ind AS	89,818	83,734

(B) The reconciliation of Net Profit from the previous Indian GAAP to IND-AS for the year ended :-

(Amount in ₹ Lacs)

Sr. No.	Particulars	31-Mar-16	1-Apr-15
a	Net Profit/ (Loss) after tax for the period under previous Indian GAAP	7,824	7,435
	Benefit / (Charge) :		
b	Fair Value Adjustment relating to Investment in Mutual Funds and Listed Securities	276	801
c	Finance Income on Redeemable Debentures	133	198
d	Impact on discounting of Security Deposits:		
	Finance Expenses	(3)	(7)
	Lease Rent	7	20
e	Losses of Associates Accounted for as per equity method	(1,324)	(617)
f	Provision for Doubtful Debts	-	(3,482)
g	Effect of Deferred Tax	(207)	816
	Net Profit / (Loss) for the period under Ind AS	6,707	5,164

**Note:3 :
Property Plant & Equipment**

The changes in the carrying value of property, plant and equipment for the year ended 31 March, 2017 are as follows: (Amount in ₹ Lacs)

PARTICULARS	Freehold Land	Leasehold Land	Building (Office)	Building (Godown)	FLAT	Motor Cars	Computers	Office Equipment	Temporary Structure	Furniture & Fixture	Plant & Machinery	TOTAL
Gross carrying value as of April 1, 2016	251	-	510	297	991	1,277	52	149	77	79	492	4,175
Additions	-	-	-	-	-	42	5	9	-	13	291	1,127
Deletions/Transfer	-	-	107	-	991	29	-	-	-	-	-	136
Gross carrying value as of March 31, 2017	251	-	403	297	-	1,290	57	158	77	92	783	3,408
Accumulated Depreciation as of April 1, 2016	251	-	164	14	62	612	41	138	77	57	99	1,515
Depreciation for the year	-	-	10	5	14	115	6	4	-	10	47	211
Deduction / adjustments during the period	-	-	-	-	76	26	-	-	-	-	-	102
Accumulated Depreciation as of March 31, 2017	251	-	174	19	-	701	47	142	77	67	146	1,624
Carrying value as of March 31, 2017	-	-	229	278	-	589	10	16	-	25	637	1,784
Carrying value as of March 31, 2016	-	-	346	283	929	665	11	11	-	22	393	2,660

The changes in the carrying value of property, plant and equipment for the year ended 31 March, 2016 are as follows: Amount in ₹ Lacs

PARTICULARS	Freehold Land	Leasehold Land	Building (Office)	Building (Godown)	FLAT	Motor Cars	Computers	Office Equipment	Temporary Structure	Furniture & Fixture	Plant & Machinery	TOTAL
Gross carrying value as of April 1, 2015	251	-	510	297	991	1,031	42	145	77	79	492	3,915
Additions	-	-	-	-	-	330	10	4	-	-	-	344
Deletions/Transfer	-	-	-	-	-	84	-	-	-	-	-	84
Gross carrying value as of March 31, 2016	251	-	510	297	991	1,277	52	149	77	79	492	4,175
Accumulated Depreciation as of April 1, 2015	251	-	154	9	47	511	36	132	77	47	71	1,335
Depreciation for the year	-	-	10	5	15	134	5	6	-	10	28	213
Deduction / adjustments during the period	-	-	-	-	-	33	-	-	-	-	-	33
Accumulated Depreciation as of March 31, 2016	251	-	164	14	62	612	41	138	77	57	99	1,515
Carrying value as of March 31, 2016	-	-	346	283	929	665	11	11	-	22	393	2,660
Carrying value as of March 31, 2015	-	-	356	287	944	520	6	13	-	32	421	2,579

Note : 4**Investment Property****(Amount in ₹ Lacs)**

Particulars	AS AT	AS AT	AS AT
	31.03.2017	31.03.2016	01.04.2015
Gross Amount			
Opening			
Depreciable Investment Property	3,008	3,008	3,008
Other Investment Property*	2,971	2,971	2,652
Additions (Depreciable)	520	-	-
Additions (Non Depreciable)	-	-	477
Deletion/ Transfer (Non Depreciable)	-	-	158
Closing	<u>6,499</u>	<u>5,979</u>	<u>5,979</u>
Accumulated Depreciation			
Opening	415	367	309
For the year	<u>56</u>	<u>48</u>	<u>58</u>
Closing	<u>471</u>	<u>415</u>	<u>367</u>
Net Carrying Amount	<u>6,028</u>	<u>5,564</u>	<u>5,612</u>

* Includes a leasehold land allotted by New Okhla Industrial Development Authority, Ghaziabad for 99 years as per lease Deed dated 22nd February, 1985.

Note : 5**QUANTITY (NOS.)****(Amount in ₹ Lacs)**

AS AT	AS AT	AS AT	AS AT	AS AT	AS AT
31.03.2017	31.03.2016	01.04.2015	31.03.2017	31.03.2016	01.04.2015

Investments (Non Current)**A. Quoted - Non Trade (At Market Value)****I. Equity Shares, Each, Fully Paid-up**

Agro Tech Foods Ltd. of ₹10/-	12000	12000	12000	65	56	77
Alok Industries Ltd. of ₹10/-	0	20000	20000	0	1	2
Alstom India Ltd of ₹10/-	0	38005	38005	0	231	277
Bajaj Corp Ltd. of Re.1/-	23944	23944	23944	95	92	110
Bajaj Finance Limited of ₹ 10/-	0	600	600	0	42	25
Bajaj Finance Limited of ₹ 2/-	6000	0	0	70	0	0
Britannia Industries Ltd of ₹ 2/-	1000	0	0	34	0	0
Camson Bio Technologies Ltd of ₹ 10/-	0	10000	10000	0	4	9
Camson Seeds Ltd of ₹ 10/-	10000	10000	0	1	0	0
Cummins India Ltd of ₹ 2/-	29894	29894	29894	283	252	263
G E Power India Ltd of ₹ 10/-	38005	0	0	222	0	0
Glaxosmithkline Consumer Healthcare Ltd of ₹ 10/-	1000	0	0	52	0	0
IDFC Limited of ₹ 10/-	94500	94500	94500	52	38	158
IDFC Bank Limited of ₹ 10/-	94500	94500	0	56	46	0
Jammu & Kashmir Bank Ltd. of Re.1/-	0	22500	22500	0	14	21
J M Financial Ltd. of Re.1/-	0	7500	7500	0	3	4
Jyothy Laboratories Ltd of Re.1/-	14000	14000	14000	50	41	38

NOTE : 5 CONTINUED

	QUANTITY (NOS.)			(Amount in ₹ Lacs)		
	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Lanco Infratech Ltd. of Re.1/-	0	55000	55000	0	3	3
Larsen & Toubro Ltd. of ₹ 2/-	2000	2000	2000	32	24	34
Man Industries (India) Ltd. of ₹ 5/-	0	5000	5000	0	3	2
Marico Ltd of Re.1/-	110000	110000	60500	324	269	233
Kaya Ltd. of ₹ 10/-	1210	1210	1210	9	10	19
Motherson Sumi Systems Ltd of Re.1/-	3000	3000	2000	11	8	10
Nakoda Limited of ₹ 5/-	0	20000	20000	0	0	0
NMDC Ltd of Re.1/-	20000	0	0	27	0	0
Omaxe Ltd. of ₹ 10/-	0	3000	3000	0	4	4
Oil and Natural Gas Corporation Ltd of Re.1/-	40000	0	0	74	0	0
Power Grid Corporation of India Ltd of ₹ 10/-	20000	0	0	40	0	0
Rallis India Ltd of Re.1/-	30000	30000	30000	78	51	68
Reliance Industries Ltd. of ₹ 10/-	25500	25500	25500	336	266	211
Stampede Capital Limited of ₹ 10/-	0	0	95000	0	0	178
Stampede Capital Limited of Re.1/-	600000	600000	0	121	227	0
State Bank of India of Re.1/-	150	150	150	0	0	0
Steel Authority of India Ltd of ₹ 10/-	50000	0	0	31	0	0
Dhanlaxmi Bank Limited of ₹ 10/-	215000	215000	215000	64	42	66
Karur Vysya Bank Ltd. of ₹ 10/-	0	45000	45000	0	197	245
Karur Vysya Bank Ltd. of ₹ 2/-	75000	0	0	84	0	0
Tata Steel Ltd. Of ₹ 10/-	5000	8500	0	24	27	0
Triveni Turbine Ltd. of Re.1/-	12500	12500	12500	18	12	16
Uflex Ltd. of ₹ 10/-	492056	492056	492056	1367	857	578
Usha Martin Ltd. of Re.1/-	0	10000	10000	0	1	2
Whirlpool of India Ltd. of ₹ 10/-	50000	96000	96000	612	675	706
Zylog Systems Ltd. of ₹ 5/-	0	90000	90000	0	4	4
Aggregate Market Value			TOTAL (A)	4232	3500	3363
B. Unquoted						
I. Non-trade (At Cost)						
(a) Capital Contribution in India Growth Fund				223	240	320
II. Trade (At Amortized Cost)						
(a) Others						
1% Unsecured Non Convertible Debentures of Real Griha Nirman Private Limited	30000	30000	30000	415	383	353
1% Optionally Convertible Debentures of Neelanchal Con-tech Private Limited	10000	12000	12000	1318	1460	1345

NOTE : 5 CONTINUED

	QUANTITY (NOS.)			(Amount in ₹ Lacs)		
	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
III. Trade (At Cost)						
(a) Investments in Equity Shares of other Companies, each Fully paid up						
Riverview Land Developers Pvt Ltd of ₹ 10/-	90000	0	0	9	0	0
NH2 Limited of GBP 0.10/-	1000000	0	0	521	0	0
(b) Investment in Preference Shares of other companies, each fully paid-up of ₹ 10/- each						
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1621271	1621271	1621271	2770	2770	2770
0.001% Non Cumulative Compulsorily Convertible Preference Shares of SPPL Hotels Pvt. Ltd.	1557692	1557692	0	1480	1480	0
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of Hara Parvati Realtors Pvt. Ltd.	849233	849233	849233	591	591	591
0.001% Non Cumulative Compulsorily Convertible Preference Shares of Hara Parvati Realtors Pvt. Ltd.	815929	815929	0	1477	1477	0
(c) Others						
National Savings Certificate (Deposited with Commercial Tax)				0	0	0
				8804	8401	5379
TOTAL (B)						
C. Unquoted						
I. Trade (Accounted for using equity method)						
(a) Trade Investments in Equity Shares of Associate Companies, each Fully paid up						
Hara Parvati Realtors Pvt. Ltd. of ₹ 10/-	25000	25000	12750	1624	1624	1
Real Griha Nirman Private Ltd. of ₹ 10/-	10000	10000	10000	1	1	1
Shubhadra Realtors Private Ltd. of ₹ 10/-	10000	10000	10000	1	1	1
Sankhya Realtors Private Ltd. of ₹ 10/-	10000	10000	10000	1	1	1
SPPL Hotels Private Ltd. of ₹ 10/-	250000	250000	127500	478	478	13
Sattva Realtors Pvt Ltd of ₹ 10/-	12500	12500	12500	1	1	1
Neelanchal Con-tech Private Limited of ₹ 10/-	10000	10000	10000	1	1	1
			(a)	2107	2107	19
Less: Share of losses in Associate			(b)	2729	1941	617
			(a)-(b)	-622	166	-598
Shown as provision for losses in associate Companies				-622	0	-598
Net Investments in Equity Shares of Associate Companies				0	166	0
			TOTAL (C)			
			TOTAL (A+B+C)	13036	12067	8742

(CONSOLIDATED)

(Amount in ₹ Lacs)

	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Note : 6			
Loans (Non Current)			
Unsecured, Considered Good			
(a) Security Deposits	601	554	564
(b) Loans & Advances to related parties			
(i) Loans to Associate Companies/Enterprises over which KMP are able to exercise significant influence	5336	4983	6242
(c) Other Loans & Advances:			
Service Tax Input Credit Receivable	15	13	13
Advance for Properties	67	372	372
Advance paid for APHP	55	55	55
Loans to Others	1863	2420	2043
(A)	<u>7937</u>	<u>8397</u>	<u>9289</u>
Unsecured, Considered Doubtful			
Loans to Others	100	100	100
Less: Provision for Doubtful Debts	100	100	100
(B)	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL (A+B)	<u>7937</u>	<u>8397</u>	<u>9289</u>

(Amount in ₹ Lacs)

	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Note : 7			
Deferred Tax Assets (Net)			
Deferred Tax Assets			
Arising Due to Time Difference between Books of Accounts and Income-tax Act, 1961	107	618	757
TOTAL	<u>107</u>	<u>618</u>	<u>757</u>
Component of Deferred Tax Assets (Net)			
Property, Plant and Equipment	-10	10	-59
Financial Assets	-1067	-576	-368
Provisions	1184	1184	1184
TOTAL	<u>107</u>	<u>618</u>	<u>757</u>

Note : 8**Other Non Current Assets**

Preliminary & Preoperative Expenses Not Written Off	0	0	0
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>

(CONSOLIDATED)
(Amount in ₹ Lacs)

AS AT 31.03.2017 AS AT 31.03.2016 AS AT 01.04.2015

Note : 9

Inventories -

(At cost on FIFO basis or net realisable Value whichever is lower, as certified by the management)

Trading Items	1462	2848	2056
Raw Material	5	13	0
Semi Finished Goods (Work-in-Progress)	1	1	1
Finished Goods	12	10	0
Real Estate (Work-in Progress)	15301	17771	17840
Real Estate (Constructed Premises)	643	1387	0
TOTAL	17424	22030	19897

Note : 10

QUANTITY (NOS.)

(Amount in ₹ Lacs)

AS AT 31.03.2017 AS AT 31.03.2016 AS AT 01.04.2015 AS AT 31.03.2017 AS AT 31.03.2016 AS AT 01.04.2015

Investments (Current)

A. Mutual Funds-At Market Value

Units, each, fully paid up

Axis Fixed Income Opportunity Fund Growth of ₹ 10/-*	21952856.455	0.000	0.000	2815	0	0
HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Weekly Dividend of ₹ 10/-	0.000	0.000	151182.402	0	0	15
BOI AXA Capital Protection Oriented Fund-Series 2-Regular Plan Growth of ₹ 10/-	999990.000	999990.000	999990.000	108	101	102
Canara Robeco Capital Protection Oriented Fund-Series 7 Regular Growth-C7-GP of ₹ 10/-	1200000.000	0.000	0.000	125	0	0
ICICI Prudential Corporate Bond Fund-Growth of ₹ 10/-*	10084259.633	0.000	0.000	2558	0	0
Invesco India Corporate Bond Opportunity Fund-Regular Plan-Growth of ₹ 1000/-	79.086	0.000	0.000	1	0	0
Kotak Income Opportunity Fund-Growth (Regular Plan) of ₹ 10/-*	10494468.329	0.000	0.000	1883	0	0
L&T Resurgent India Corporate Bond Fund Growth of ₹ 10/-*	4131238.761	0.000	0.000	506	0	0
Reliance Money Manager Fund-Growth Plan Growth Option of ₹ 1000/-	30231.809	52060.260	0.000	678	1080	0
Reliance Liquid Fund-Treasury Plan-Growth of ₹ 1000/-	1417.027	0.000	0.000	56	0	0
Reliance Corporate Bond Fund-Growth Plan of ₹ 10/-*	6359588.445	0.000	0.000	837	0	0
Reliance Regular Saving Fund-Debt Plan-Growth Plan Growth Option of ₹ 10/-*	4474.333	0.000	0.000	1	0	0

	QUANTITY (NOS.)			(Amount in ₹ Lacs)		
	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
SBI Magnum Income Fund-Regular Plan-Growth of ₹ 10/-*	10623145.935	5617959.124	5617959.124	4289	2012	1901
SBI Corporate Bond Fund- Regular Plan-Growth of ₹ 10/-*	3869.475	0.000	0.000	1	0	0
UTI-Liquid Cash Plan-Institutional-Growth of ₹ 1000/-	15740.065	0.000	0.000	418	0	0
Aggregate Market Value			TOTAL (A)	14276	3193	2018
(B) Fixed Deposit Accounts (Including interest accrued but not due) **			TOTAL (B)	143837	166437	193836
			TOTAL (A+B)	158113	169630	195854

* Includes mutual funds pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the company

**Pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company

	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Note : 11			
Trade Receivables (Current)			
Unsecured Considered Doubtful	3382	9086	8541
Unsecured Considered Good	221044	227316	242919
	224426	236402	251460
Less: Provision for Doubtful Debts	3382	3382	3382
TOTAL	221044	233020	248078

Note : 12**Cash & Cash Equivalent****Cash & Bank Balances:**

(a) Cash in hand and in transit	9	42	94
(b) Cheques in Hand	100	0	2400
(c) Balances with Scheduled Banks			
In Current Accounts & E E F C Accounts	5861	10162	1239
TOTAL	5970	10204	3733

The details of Specified Bank Notes and other denomination note held and transacted during the period from November 8, 2016 to December 30, 2016, as required by MCA notification G.S.R. 308(E) dated March 30, 2017 are given below:-

Particulars	Specified Bank Notes*	Other Denomination Notes	Total
Closing Cash-in-Hand as on 08.11.2016	34	6	40
(+) Permitted Receipts	0	6	6
(-) Permitted Payments	0	5	5
(-) Amount Deposited in Banks	34	0	34
Closing Cash-in-Hand as on 30.12.2016	0	7	7

*The term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated 8th November, 2016.

	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Note : 13			
Bank Balances other than Cash and Cash Equivalent			
Balances with Scheduled Banks			
(i) In Unclaimed Dividend accounts	23	33	20
(ii) In Fixed Deposit Accounts (Including interest accrued but not due)	139	129	550
TOTAL	162	162	570

AS AT
31.03.2017 AS AT
31.03.2016 AS AT
01.04.2015

Note : 14**Other Financial Assets (Current)****Unsecured Considered Good****Other Loans & Advances**

-Advance recoverable in cash or in kind or for value to be received or pending adjustments

	8271	10663	13759
TOTAL	8271	10663	13759

Note : 15**Current Tax Assets (Net)**

Advance Income Tax and Tax Deducted at Source

11483 10817 11505

Less: Provision for Income Tax

10143 9738 10130

TOTAL **1340** 1079 1375

Note : 16**SHARE CAPITAL****AUTHORISED :**

31000000 [31000000 (2015-16), 21000000 (2014-15)] Equity Shares of ₹ 10/- each

3100 3100 2100

ISSUED, SUBSCRIBED AND PAID UP :

29843865 [29843865 (2015-16), 19895910 (2014-15)] Equity Shares of ₹ 10/- each fully paid up

2984 2984 1990

TOTAL **2984** 2984 1990

16.1. The company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each Holder of equity share 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 in proportion to the number of equity shares held by the share holders.

16.2 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period

	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
Equity Share of ₹ 10/- each fully paid up:-						
Opening Balance	29843865	2984	19895910	1990	6631970	663
Bonus Issue	0	0	9947955	994	13263940	1327
Closing Balance	29843865	2984	29843865	2984	19895910	1990

16.3 Details of shares held by shareholders holding more than 5% shares

Class of shares/Name of shareowners	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	Number of shares held	holding %	Number of shares held	holding %	Number of shares held	holding %
Equity Share of ₹ 10/- each fully paid up:-						
a) Mrs. Arti D Kothari	0	0.00%	0	0.00%	1895316	9.53%
b) Mr. Deepak Kothari jointly with Mrs. Arti D Kothari	16576596	55.54%	16576596	55.54%	9155748	46.02%
c) Mitesh Kothari (HUF)	1828098	6.13%	1828098	6.13%	1218732	6.13%
d) Dham Securities Pvt Ltd	3299998	11.06%	3299998	11.06%	2199999	11.06%
e) Magnus Properties Pvt Ltd	1690114	5.66%	1690114	5.66%	1126743	5.66%

(Amount in ₹ Lacs)

AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
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Note : 17

Reserves and Surplus:

(a) Preference Shares Redemption Reserve	0	0	3
Less : Utilised during the year for issue of Bonus Share	0	0	3
Closing balance	0	0	0
(b) Foreign Currency Translation Reserve	2026	2278	1823
	2026	2278	1823
(c) General Reserve			
As per last Balance Sheet	34598	35078	35908
Add : Transferred from Statement of Profit & Loss	645	515	493
Less : Utilised during the year for issue of Bonus Share	0	995	1323
Closing balance	35243	34598	35078
(d) Profit & Loss Account - As per account annexed			
As per last Balance Sheet	49958	44843	41932
Add-Profit for the year	7572	6707	5164
	57530	51550	47096
Less : Related to Ceased Subsidiaries	277	0	0
	57253	51550	47096
Less-Appropriations			
Transfer to General Reserve	645	515	493
Interim Dividend Paid	0	895	0
Tax on Interim Dividend Paid	0	182	0
Proposed Dividend on Equity Shares	896	0	1293
Provision for Tax on Proposed Dividend	182	0	259
Adjustment related to Fixed Assets	0	0	208
Closing balance	55530	49958	44843
TOTAL	92799	86834	81744

(CONSOLIDATED)

(Amount in ₹ Lacs)

	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Note : 18			
Long Term Borrowings			
Unsecured			
Car Loan	51	0	0
From Salarpuria Properties Pvt. Ltd.	11	10	172
From SPPL Property Management Pvt. Ltd.	189	81	212
1055500 [1055500 (2015-16), 687500 (2014-15)] 1% Redeemable Non Convertible Debentures	8549	7989	6875
TOTAL	8800	8080	7259

Note : 19**Other Non Current Liabilities**

Security Deposit Accepted Against Lease Agreement	87	268	265
TOTAL	87	268	265

Note : 20**Borrowings****20(a) Secured:**

Overdraft against TDRs from Nationalised Banks	14115	25712	17836
Cash Credit Limits from Nationalised Banks	0	0	94
Export Packing Credit Limits from Nationalised Banks	2200	0	1003
TOTAL	16315	25712	18933

20 (a) (i) Description of the Security Given:**(A) Holding Company:**

The details of the securities given by the Company under consortium banking arrangement lead by Allahabad Bank are as follows:-

Prime Securities:

Hypothecation charge on Current Assets of the Company both current and future , ranking pari-passu with other member banks.

Collateral Securities:

I. Equitable mortgage of following properties (on pari-passu basis):

- Property at Noida owned by the Company.
- Three different properties at Bengaluru owned by the Companies over which Key Managerial Personnel are able to exercise significant influence.
- Property at Bengaluru owned by a wholly owned subsidiary Company.
- Property at Pune owned by the Director of the Company.

II. Lien on Term Deposit of ₹ 2203 lacs

III. Lien on Mutual Funds of ₹ 1715 lacs

IV. Lien on Term Deposit of ₹ 279 lacs exclusively with Indian Overseas Bank.

Guarantees:

- I. Corporate Guarantee by a wholly owned subsidiary Company and by the three different Companies over which Key Managerial Personnel are able to exercise significant influence.
- II. Personal Guarantee by the two directors of the Company.

(B) Subsidiary Companies:

(1) KPL Exports Pvt Limited

Prime Securities:

Hypothecation of stocks, book debts and other current asset (Existing & Future) ranking pari passu among the banks.

Collateral Securities:

- I. Equitable mortgage of property at Pune owned by a director & Equitable Mortgage of two properties at Vizianagaram owned by other Companies.
- II. Lien on Term Deposit of ₹ 2550 lacs

Guarantees:

- I. Personal Guarantee by the two directors of the Company.
- II. Corporate Guarantees by the holding company & by two other Companies.

(2) Kothari Products Singapore Pte Limited

Prime Securities:

Charge over Stocks, Receivables and Term Deposit ranking pari-passu among the banks.

Collateral Securities:

- I. Lien on Term Deposit of USD (\$) 76.24 lacs

Guarantees:

- I. Corporate Guarantees by the holding company .

20 (a) (ii) Default in terms of repayment of principal and interest- NIL

	(Amount in ₹ Lacs)		
	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
20(b) Unsecured			
Loan From Directors	3113	5553	280
Car Loan	66	163	0
TOTAL	3179	5716	280
GRAND TOTAL	19494	31428	19213

Note : 21

Trade Payables

Trade Payables (including acceptances)	259093	316565	300612
TOTAL	259093	316565	300612

(CONSOLIDATED)

(Amount in ₹ Lacs)

	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Provisions			
Proposed Dividend	896	0	1293
Tax on Proposed Dividend	182	0	259
Provision for losses in Associate Companies	622	0	598
TOTAL	<u>1700</u>	<u>0</u>	<u>2150</u>

Note : 23

Other Current Liabilities

	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
Advance Against Orders	55263	29149	95990
Due to Directors	5	7	4
Unclaimed / Unpaid Dividend	23	33	20
Statutory Liabilities	106	84	179
Interest Accrued & Due	225	223	202
Outstanding Liabilities	1406	1220	1395
TOTAL	<u>57028</u>	<u>30716</u>	<u>97790</u>

Year Ended
31-March 2017 Year Ended
31-March 2016
(Amount in ₹ Lacs)

Note : 24

Revenue from Operations

	Year Ended 31-March 2017	Year Ended 31-March 2016
(a) Sales of Traded Goods	614147	669894
(b) Sales	14	32
(c) Other Operating Revenues		
(i) Interest Earned on Bank Deposits held for Business Purposes & others	11378	15583
(ii) Compensation Received	5100	0
(iii) Miscellaneous Income	1589	379
(iv) Rental Income	582	710
TOTAL	<u>632810</u>	<u>686598</u>

Note : 25

Other Income

	Year Ended 31-March 2017	Year Ended 31-March 2016
(a) Dividend Income	32	50
(b) Interest on Loans	400	563
(c) Net Gain on Disposal of Investments	525	198
(d) Net Gain on Disposal of Property, Plant and Equipments	59	0
(e) Miscellaneous Receipts	0	0
(f) Net Gain on Investments Carried at Fair Value through Profit & Loss	1419	276
TOTAL	<u>2435</u>	<u>1087</u>

Note : 26

(CONSOLIDATED)

Year Ended 31-March 2017 Year Ended 31-March 2016

(Amount in ₹ Lacs)

Cost of Material Consumed

Opening Stock	13	0
Add: Purchases	75	28
	<u>88</u>	<u>28</u>
Less: Closing Stock	5	13
TOTAL	<u>83</u>	<u>15</u>

Note : 27**Purchases of Stock-in-Trade**

Purchases of Traded Goods	601611	660164
TOTAL	<u>601611</u>	<u>660164</u>

Note : 28**Increase (-) / Decrease (+) in inventories of Finished Goods, Work in Progress & Stock-in-trade****Opening Stock:**

Trading Items	2848	2037
Finished goods	9	19
Semi Finished Goods (Work-in-Progress)	1	1
Real Estate (Work-in-Progress)	3932	5143
Real Estate (Constructed Premises)	1387	0
TOTAL	<u>8177</u>	<u>7200</u>

Closing Stock

Trading Items	1462	2848
Finished goods	11	9
Semi Finished Goods (Work-in-Progress)	1	1
Real Estate (Work-in-Progress)	2443	3932
Real Estate (Constructed Premises)	643	1387
TOTAL	<u>4560</u>	<u>8177</u>
	<u>3617</u>	<u>-977</u>

Note : 29**Employee Benefit Expenses**

Salaries, Wages and Bonus	489	431
Contribution to Provident and other Funds	22	19
Gratuity	2	0
Staff welfare and Other Expenses	93	82
TOTAL	<u>606</u>	<u>532</u>

Note : 30

(CONSOLIDATED)

Year Ended 31-March 2017 Year Ended 31-March 2016

(Amount in ₹ Lacs)

Other Expenses

Electricity Expenses	74	72
Manufacturing Expenses	3	15
Bank Charges	3169	2813
General Insurance	55	41
Rent	195	164
Rates & Taxes	22	21
Bad Debts	5874	0
Net Loss on Disposal of Property, Plant and Equipments	0	3
Repairs :		
Building	90	45
Others	38	40
Travelling & Conveyance	121	141
Miscellaneous Expenses	1500	6976
Corporate Social Responsibility Expenses	187	193
Payment to Auditors :		
Statutory Audit Fee	22	19
Tax Audit Fee	1	1
Directors' Remuneration	32	22
Directors' Commission	764	468
Directors' Sitting Fee	0	0
TOTAL	<u>12147</u>	<u>11034</u>

Note : 31

Finance Cost

Interest Cost	4581	4734
TOTAL	<u>4581</u>	<u>4734</u>

(CONSOLIDATED)

As at
31 March 2017 As at
31 March 2016
(Amount in ₹ Lacs)

Note : 32**Contingent Liabilities:-**

32.1 Corporate Guarantees issued by the Company to certain banks on behalf of one of its subsidiary	40422	39235
	(USD 62.34 Million)	(USD 59.15 Million)
32.2 Corporate Guarantees issued by the Company to Nationalised banks on behalf of associate companies	38300	38300
32.3 Corporate Guarantees issued by the Subsidiaries Companies to Nationalised banks	166000	166000
32.4 Corporate Guarantees issued by the Company to Nationalised banks on behalf of one of its wholly owned subsidiary	32500	42500

Note : 33**Segment Information (Information about Business Segments) :****33.1 The Company operates in two business segments-**

- (a) Trading Items
(b) Real estate etc

Year Ended
31-March 2017 Year Ended
31-March 2016
(Amount in ₹ Lacs)

33.2 Segment Information are as under-**(A) Segment Revenue (Net Sales/ Income)**

(a) Trading Items	625990	685392
(b) Real Estate etc.	9255	2293
	<u>635245</u>	<u>687685</u>

(B) Segment Results [Profit(+)/ Loss(-) Before Tax]

(a) Trading Items	10481	14786
(b) Real Estate etc.	5644	546
Net Profit Before Interest	<u>16125</u>	<u>15332</u>
(c) Interest Expenses	4581	4734
Net Profit Before tax	<u>11544</u>	<u>10598</u>

(C) Segment Assets

	As at	As at
	31.03.2017	31.03.2016
(a) Trading Items	393960	449462
(b) Real Estate etc.	48043	27430
	<u>442003</u>	<u>476892</u>

(D) Segment Liabilities

(a) Trading Items	339456	384693
(b) Real Estate etc.	6764	2381
	<u>346220</u>	<u>387074</u>

Note:34**Related Party Disclosures in accordance with Ind AS 24.**

Details of Related parties with whom transactions have taken place during the year and having outstanding at the end of the year are as under:-

(i) Names of Related Parties and Description of Relationship :**(A) Key Managerial Personnel & their Relatives :**

- | | |
|--|--|
| (a) Shri Deepak Kothari - Chairman & Managing Director | (f) Dr. Avinash Gupta-Non Executive Director |
| (b) Shri Mitesh Kothari - Executive Director | (g) Shri Vikas Chaturvedi-Non Executive Director |
| (c) Smt. Hemani Gowani | (h) Smt. Arti Kothari |
| (d) Smt. Poonam Acharya-Non Executive Director | (i) Shri Raj Kumar Gupta- C S & Compliance Officer |
| (e) Shri Pramod Kumar Tandon-Non Executive Director | (j) Shri Anurag Tandon- CFO |

(B) Associate Companies:

- Real Griha Nirman Private Limited
- Sankhya Realtors Private Limited
- Neelanchal Con-tech Private Limited
- Hara Parvati Realtors Private Limited
- SPPL Hotels Private Limited
- Subhadra Realtors Private Limited
- Raj Power Parts and Engineering Co. Limited
- Sattva Realtors Private Limited

(C) Enterprises over which Key Managerial Personnel are able to exercise significant influence :

- BKC Properties Pvt. Limited
- Dham Securities Pvt. Limited
- Ekta Flavours Pvt. Limited
- Kothari Detergents Limited
- Lohewala Construction Pvt. Limited
- Pan Parag India Limited
- Sukhdham Constructions & Developers Limited
- Riverview Land Developers Pvt Limited

(ii) Summary of Transactions:

Particulars	(Amount in ₹ Lacs)			
	Key Managerial Personnel & Relatives		Associate Companies / Others in which KMP have significant influence	
	For the year ended / As on		For the year ended / As on	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Directors'/KMP Remuneration etc.	835	518	-	-
On Account of Expenses	16	16	166	156
On Account of Interest on Loan Taken	9	110	-	-
On Account of Income - Rent	-	-	3	12
Interest Income on Loan Given	-	-	393	350
Interest Received including amortisation of premium on Debentures	-	-	106	159
Investment in Shares During the year	-	-	-	5,045
Redemption of Debenture (Investment) During the year	-	-	200	-
Dividend Paid	-	1,399	-	242
Corporate Guarantees issued and outstanding as on date	-	-	38,300	38,300
Outstanding (Payable)	5	57	-	-
Outstanding (Receivable)	-	-	5,336	4,988

Note : Since no amount is considered as bad & doubtful, neither provision is made for the same nor amount written off.

Note : 35

The details regarding associate companies is as follows:

Name of Associates	Proportion of Ownership
Haraparvati Realtors Private Limited	50%
Real Griha Nirman Private Limited	50%
Shubhadra Realtors Private Limited	50%
Sankhya Realtors Private Limited	45%
SPPL Hotels Private Limited	50%
Neelanchal Con-tech Private Limited	50%
Sattva Realtors Private Limited	25%
Raj Power Parts and Engineering Co. Limited	49.33%

The above associates were accounted for using equity method in consolidated financial statement except Raj Power Parts and Engineering Co. Pvt. Ltd. which was consolidated on line by line basis.

2016-17 2015-16

Note : 36**Earning Per Share**

(a) Profit after tax (Profit attributable to Equity Shareholders)	7572	6707
(b) Weighted average nos. of Equity Shares for Basic / Diluted EPS	29843865	29843865
(c) Nominal Value of Equity Share (in ₹)	10.00	10.00
(d) Basic and Diluted Earning per Equity Share (in ₹)	25.37	22.47

Note : 37**(A) Forward Contracts (hedged) outstanding as at Balance Sheet date are as under -**

(Figures in Lacs)

Particulars of Derivatives	Derivative Contracts	31.03.2017		31.03.2016		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	628	40747	1765	117073	Hedge of Export and other Receivables
	EURO/INR	96	6621	0	0	
Buy	USD/INR	1140	73889	1221	80961	Hedge of Import and other Payables
	EURO/INR	106	7315	0	0	

(B) Unhedged Foreign Currency Exposures as at Balance Sheet date are as under-

(Figures in Lacs)

Particulars	Currency	31.03.2017		31.03.2016	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	1607	104207	1253	83090
	EURO	586	40590	0	0
Import and other Payables	USD	1709	110831	3579	237432
	EURO	1368	94738	0	0

Note : 38

Operating Lease

The company's significant lease agreement is in respect of operating lease for Premises and the aggregate lease rentals receivable are credited to the Statement of Profit & Loss. The future minimum lease rents receivable under non-cancellable operating lease are as under:-

Particulars	(Amount in ₹ Lacs)	
	As on 31.03.2017	As on 31.03.2016
Not later than one year	198	384
Later than one year and not later than five year	17	70
Later than five year	0	0

Note : 39

There is no amount due to be paid to 'Investor Education & Protection Fund' maintained by the Government of India as at the year end. These amounts shall be paid to the funds as and when they become due.

Note : 40

There is no amount due to Micro Enterprises and Small Enterprises, based on the records and the information received from suppliers.

Note : 41

M/s Sukhdham Constructions & Developers Ltd. which was a wholly owned subsidiary of the Company has ceased to be its subsidiary w.e.f. 25-02-2017. There has been gain of ₹ 325 Lacs on sale of entire shareholding of this company. Another Subsidiary company M/s Riverview Land Developers Pvt Ltd also ceased to be subsidiary of the Company w.e.f. 20-03-2017.

Note : 42

The aforesaid consolidated financial results consist of results of the Company and its subsidiary companies- KPL Exports Pvt. Limited, Kothari Products Singapore Pte. Limited, Savitrimata Realtors Pvt. Ltd., Pinehills (Singapore) Pte. Ltd. (100% subsidiary of Kothari Products Singapore Pte. Ltd.), MK Web-Tech Pvt. Limited & Blackplinth Realtors Pvt. Ltd.

Note : 43

The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of current year.

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn NO. 000226C
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(VIVEK KUMAR)
Partner
Membership No. 408227

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

Place : Kanpur
Date : 23rd May, 2017

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹ Lacs)

PARTICULARS	2016-2017	2015-2016
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	11544	10598
Adjustments for:		
- Depreciation	267	261
- Finance Cost	4581	4734
- Exchange Translation Reserve on Consolidation	-252	455
- Net Unrealised Forex (Gain)/loss	-4275	235
- Fair Value Adjustment relating to Investment in Mutual Funds and Listed Securities	-1419	-276
- Finance Income on Redeemable Debentures	-91	-144
- Lease Rent- (Impact on discounting of Security Deposits)	-6	-6
- Share of Net Profits of Associates & Joint Ventures accounted for using Equity Method	789	1324
- Profit (-) / Loss on Sale of Property, Plant and Equipment	-59	3
- Net Profit on Sale of Investments	-525	-198
- Interest Income	-400	-563
- Dividend Income	-32	-50
Operating Profit/ (loss) before working capital changes	10122	16373
Adjustments for:		
- Trade Receivables & Others	34324	-50488
- Inventories	4086	-2133
- Trade payables & Others	-46753	17289
Cash Generated from Operations	1779	-18959
Net Income Tax (paid)/ Refund	-3722	-3459
Net Cash flow from/(used in) Operating Activities	-1943	-22418
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
- Purchase of Property, Plant and Equipment	-360	-344
- Sale of Property, Plant and Equipment	1084	48
- Purchase of Investments- Others	-24571	-9580
- Sale of Investments-Other	36520	31174
- Sale of Investments-Associate Companies	200	0
- Loans to associate companies (Net)	-353	1259
- Loans to others	558	-377
- Interest Received	400	563
- Investment in Bank Deposits	-10	421
- Dividend Received	32	50
Net Cash flow from/(used in) Investing Activities	13500	23214
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
- Secured Loans from banks	-9397	6779
- Unsecured Loans	623	984
- Loans from director	-2439	5273
- Dividend Paid	0	-2188
- Tax on Dividend Paid	0	-441
- Finance Cost	-4578	-4732
Net Cash flow from/(used in) Financing Activities	-15791	5675
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	-4234	6471
Cash & Cash Equivalents - Opening Balance	10204	3733
Cash & Cash Equivalents - Closing Balance	5970	10204

Note: The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn NO. 000226C
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(VIVEK KUMAR)
Partner
Membership No. 408227

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

Place : Kanpur
Date : 23rd May, 2017

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31.03.2017

(Amount in ₹ Lacs)

Sl. No.	Name of Subsidiary	Financial Year Ending on	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investments			Turnover (including Other Income)	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	Extent of holding
							Non Quoted & Trade	(a) Shares	(b) Others						
1	MK Web-Tech Pvt. Limited	31.03.2017	25	1555	1822	1822	0	0	0	176	95	40	55	0	100%
2	KPL Exports Pvt. Limited	31.03.2017	600	17890	86663	86663	0	0	0	95694	1859	658	1201	0	100%
3	Kothari Products Singapore Pte. Limited*	31.03.2017	4937	6934	36156	36156	521	0	521	102425	1067	174	893	0	99.9998%
4	Savirrimata Realtors Pvt. Limited	31.03.2017	5	-16	12108	12108	0	0	0	0	-1	0	-1	0	51%
5	Blackplinth Realtors Pvt Limited	31.03.2017	5	-5	3124	3124	0	0	0	0	-1	0	-1	0	54%

*The reporting currency of Financials of M/s Kothari Products Singapore Pte Ltd is in USD(\$) and conversion rate applied is 1USD = ₹ 64.8386

As per our report of even date attached hereto.

 For MEHROTRA & MEHROTRA
 Firm Regn NO. 000226C
 CHARTERED ACCOUNTANTS

For and on behalf of the Board

 (VIVEK KUMAR)
 Partner
 Membership No. 408227

 (DEEPAK KOTHARI)
 Chairman & Managing Director

 (MITESH KOTHARI)
 Executive Director

 Place : Kanpur
 Date : 23rd May, 2017

 (RAJ KUMAR GUPTA)
 CS & Compliance Officer

 (ANURAG TANDON)
 Chief Financial Officer

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries and Associates

NAME OF THE ENTERPRISES	NET ASSETS i.e. TOTAL ASSETS MINUS TOTAL LIABILITIES		SHARE IN PROFIT OR LOSS	
	AS % OF CONSOLIDATED NET ASSETS	AMOUNT (₹ IN LACS)	AS % OF CONSOLIDATED PROFIT OR LOSS	AMOUNT (₹ IN LACS)
PARENT				
KOTHARI PRODUCTS LIMITED	86.05	82421	85.20	6451
SUBSIDIARIES				
INDIAN				
MK WEB-TECH PVT LTD	1.65	1580	0.73	55
KPL EXPORTS PVT LTD	19.30	18490	15.86	1201
SAVITRIMATA REALTORS PVT LTD	-0.01	-11	-0.01	-1
BLACKPLINTH REALTORS PVT LTD	0.00	0	-0.01	-1
FOREIGN				
KOTHARI PRODUCTS SINGAPORE PTE LTD	12.39	11871	11.79	893
NON CONTROLLING INTEREST	0.02	18	0.00	0
ASSOCIATES (INVESTMENTS AS PER THE EQUITY METHOD)				
INDIAN				
HARAPARVATI REALTORS PRIVATE LIMITED	1.78	1706	4.61	349
REAL GRIHA NIRMAN PRIVATE LIMITED	0.00	1	0.00	0
SHUBHADRA REALTORS PRIVATE LIMITED	0.00	-1	-0.04	-3
SANKHYA REALTORS PRIVATE LIMITED	0.00	-1	0.00	0
SPPL HOTELS PRIVATE LIMITED	-2.19	-2093	-14.06	-1065
NEELANCHAL CON-TECH PRIVATE LIMITED	-0.14	-132	-0.71	-54
SATTVA REALTORS PRIVATE LIMITED	-0.11	-102	-0.21	-16

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
 Firm Regn NO. 000226C
 CHARTERED ACCOUNTANTS

For and on behalf of the Board

(VIVEK KUMAR)
 Partner
 Membership No. 408227

(DEEPAK KOTHARI)
 Chairman & Managing Director

(MITESH KOTHARI)
 Executive Director

Place : Kanpur
 Date : 23rd May, 2017

(RAJ KUMAR GUPTA)
 CS & Compliance Officer

(ANURAG TANDON)
 Chief Financial Officer



KOTHARI
PRODUCTS LIMITED

(CIN: L16008UP1983PLC006254)

Regd. Off.: "Pan Parag House", 24/19, The Mall, Kanpur-208 001 (India).

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