



**KOTHARI**  
PRODUCTS LIMITED

32<sup>nd</sup> annual report  
2015-16

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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](mailto:info@kothariproducts.in), [kothari@kothariproducts.in](mailto:kothari@kothariproducts.in)  
Ph. Nos. (0512) 2312171 - 74, Fax No. (0512) 2312058

## **INVESTORS' GRIEVANCE E-MAIL ID**

[rk Gupta@kothariproducts.in](mailto: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



## “A KARMAYOGI”

Visited us between 25th July  
1925 and 27th November 2015

A TRIBUTE TO OUR  
FOUNDER CHAIRMAN SHRI  
MANSUKHLAL MAHADEV  
BHAJI KOTHARI (BABUJI)

In July, 1925 in the Village Nareli of district Surendra Nagar in Gujarat. **Respected Mansukh Bhai Kothari (Babuji)** was born in the family of Shri Mahadev Bhai Kothari. His father was an ordinary merchant/trader.

At the tender age of 11 years he started sharing the responsibilities of his father in the business. However, his ambitions could not contain him into the tiny village and at an age of 16 he started his journey of life away from home and moved to the greener pastures in the field of business and made Kanpur as his Karma Bhumi.

Starting with a meager capital he started the trading business of consumable products. Through his sheer hard work, dedication and will power he started to climb the ladders of success.

1973 was the year that became the turning point in his entrepreneurial skills starting with a cottage industry **Pan Parag** Pan Masala foundation was laid. Thereafter he never looked back not only in India but world wide **Pan Parag** became the synonym of mouth freshner . The brand became most coveted and visible brand in FMCG sector in India.

Many more manufacturing units of FMCG products were set up e.g. **Budget Washing Powder, Yes Packaged Drinking Water** etc.

He was very concerned and aware about the hardships of the society at large especially about the weaker sections of the society and established charitable trust and educational institutions for medical treatment, scholarships to the needy students, community.

A Karmayogi & an institution in himself left us for his heavenly abode on 27th November 2015 leaving behind his legacy for us to nurture.

He was a well known industrialist of India and a great philanthropist. He will always remain in our hearts and we will follow his principles, legacy & values forever.

May the sacred soul of this “**KARMAYOGI**” rest in peace.



## **Chairman's Message**

Dear Fellow Share Owners,

I am quite happy to be with you yet again to share some of my views.

At the outset I thank the Board of Directors for declaring back to back Bonus shares to all the share owners in the financial year ended March'16 as well, thus keeping up their commitment of creating wealth for the share owners.

Your Company has yet again registered a sustained growth in terms of Profits and stable revenues from operations. To conserve the resources for future growth, your Directors have taken a pragmatic view and recommended a moderate dividend this year as compared to last year.

Domestic economy has done well as compared to other countries. GDP growth showed optimism in view of moderate inflation, stable interest rates and by and large stable crude oil prices etc. “Make in India” initiative will definitely accelerate the economic growth and Infrastructure investment will give impetus to the Real estate sector growth.

In the International economic scenario, it seems that we are at the cross- roads at the moment. While the leading developed economies are showing some signs of momentum and although we witnessed a less volatile currency market, the geo political uncertainties, stagnant economic growth, fall out of Brexit etc may have short term future ramifications. The medium and Long Term appears to be full of opportunities and growth.

Going beyond business, we have made sustainable efforts to uplift the deprived society through social programs. We are focusing on providing education to children and empowering the elders of our society by undertaking projects of educational institutions & old age care centre under Corporate Social Responsibility initiative and have spent Rs.1.52 cr. in the financial year under review.

In the end I would reiterate that our people are our most important assets. We actively foster a culture of mutual trust in our interactions with our stake holders and encourage a dialogue which ensures mutual respect. I extend my gratitude to all the stake holders including consortium of Banks lead by Allahabad Bank for their continued support and faith in us.

Overall, the stage is set for sustainable growth in future and I am confident that going forward our TEAM will continue to move ahead and outperform expectations while continuing to create value for all our stake holders.

With best wishes  
Yours truly



**Deepak Kothari**

Place : Kanpur  
Dated : 21st July, 2016

**NOTICE :**

Notice is hereby given that the Thirty Second Annual General Meeting of the Members of Kothari Products Limited will be held on Friday, the 23rd September, 2016 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, 2016 and the Reports of the Directors' and Auditors' thereon.
2. To confirm the Interim Dividend of Rs.3/- per Equity Share of Rs 10/-each (30%) declared & paid during the aforesaid financial year as the Dividend for the said financial year.
3. To appoint a Director in place of Smt. Poonam Acharya (DIN: 07238992), who retires by rotation and being eligible, offers herself for re-appointment.
4. To re-appoint M/s. Mehrotra & Mehrotra, Chartered Accountants, retiring Auditors, as Auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

**SPECIAL BUSINESS :**

**5. To consider and if thought fit, to give assent/dissent to the following resolution as a Special Resolution:-**

“RESOLVED THAT pursuant to the provision of sections 196, 197 & 203 read with schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions, if any, of the said Act, including any statutory modification(s) or re-enactment(s) thereof for the time being in force; Sri Deepak Kothari, be and is hereby re-appointed as Chairman & Managing Director (KMP) of the Company for a period of five years w.e.f. 12th October, 2016, who shall not be liable to retire by rotation, on following terms & conditions :-

**A. SALARY :**

Rs. 2,00,000/- P.M.

**B. PERQUISITES:**

Sri Deepak Kothari will be entitled to perquisites like furnished accommodation or House Rent Allowance in lieu thereof together with reimbursement of expenses for utilization of gas, electricity, water, provision of car(s) with driver(s), reimbursement of ordinary medical expenses and leave travel concession for self and his family, club fees, premium towards personal accident insurance and Mediclaim Policy and all other payments in the nature of Perquisites/allowances as may be agreed by the Board of Directors from time to time subject to the aggregate monetary value of the perquisites in a year not exceeding the Annual Salary.

**C. COMMISSION:**

In addition to the above salary and perquisites, commission @ 4% of Net profits of the Company in a particular financial year, will be payable annually.

**(a) OTHER CONDITIONS**

For all other terms and conditions not specifically spelt out above, the Rules and Orders of the Company shall apply.

“RESOLVED FURTHER THAT where during the currency of tenure of the Chairman & Managing Director, the Company has no profits or its profits are inadequate in any financial year, the Chairman & Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified above subject to Schedule V, as minimum remuneration.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby severally authorized to do and sign all such acts, deeds and documents as may be considered necessary, usual or expedient to give effect to above resolution.”

**6. To consider and if thought fit, to give assent/dissent to the following resolution as a Special Resolution:-**

“RESOLVED THAT pursuant to the provision of sections 196 & 197 read with schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions, if any, of the said Act, including any statutory modification(s) or re-enactment thereof for the time being in force, Sri Mitesh Kothari be and is hereby re-appointed as Executive Director of the Company, for a period of five years w.e.f. 1st October, 2016, who shall be liable to retire by rotation, on terms & conditions as mentioned below :-

**A. SALARY:**

Rs.1, 50,000/- P.M.

**B. PERQUISITES:**

Sri Mitesh Kothari will be entitled to perquisites like furnished accommodation or House Rent Allowance in lieu thereof together with reimbursement of expenses for utilization of gas, electricity, water, provision of car(s) with driver(s), reimbursement of ordinary medical expenses and leave travel concession for self and his family, club fees, premium towards personal accident insurance and Mediclaim Policy and all other payments in the nature of perquisites/allowances as may be agreed by the Board of Directors from time to time subject to the aggregate monetary value of the perquisites in a year not exceeding the Annual Salary.

**C. COMMISSION:**

In addition to the above salary and perquisites, commission @ 4% of Net profits of the Company in a particular financial year, will be payable annually.

**(a) OTHER CONDITIONS**

For all other terms and conditions not specifically spelt out above, the Rules and Orders of the Company shall apply.

RESOLVED FURTHER THAT where during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate in any financial year, the Executive Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified above subject to schedule V, as minimum remuneration.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby severally authorized to do and sign all such acts, deeds and documents as may be considered necessary, usual or expedient to give effect to above resolution.”

**7. To consider and if thought fit, to give assent/dissent to the following resolution as a Special Resolution:-**

“RESOLVED THAT in supersession of the Special Resolution passed through Postal Ballot on 26th December, 2015 the consent of the Company be and is hereby accorded under section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), to the Board of Directors (hereinafter referred to as “the Board”) to mortgage and/or charge, in addition to the mortgage(s)/charge(s) created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms and conditions as the Board may determine, subject to maximum amount of Rs.3000 Crores of charges outstanding at any time, on all or any of the movable and/or immovable property(ies) of the company, both present and future of every nature & kind whatsoever together with the powers to take over the management of the business and concern of the Company, in certain events of defaults, in favour of lenders for securing the borrowings availed/to be availed by the Company by way of loans and securities issued by the Company together with interest at the respective agreed rates, additional interest, all other costs, charges and expenses and all other monies payable by the Company in respect of said loans/borrowings/debentures/other securities and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between Board of Directors and the Lender(s)/Agent(s) and Trustee(s)”.



“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to finalise, settle and execute such documents/deeds/writings/papers/ agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid.”

**8. To consider and if thought fit, to give assent/dissent to the following resolution as a Special Resolution:-**

“RESOLVED THAT pursuant to Regulation 31A(7) and other relevant provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [hereinafter referred to as “SEBI (LODR) Regulations 2015”] and applicable provisions, if any, of The Companies Act, 2013, the approval of the Company be and is hereby accorded for reclassification of Smt. Sadhna Kothari from the “Promoters & Promoters Group” to the “Public” Category in the shareholding patterns and other filings to be made by the Company with the Stock Exchange(s), SEBI and/or other statutory authorities under any statutory provision or otherwise .

RESOLVED FURTHER THAT pursuant to the aforesaid approval Smt. Sadhna Kothari will cease to be the Promoter of the Company.”

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

DATE : 20th May, 2016

**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 INSTEAD OF HIMSELF/HERSELF AND 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 should 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 explanatory statement pursuant to section 102 of the Companies Act, 2013, which sets out material facts relating to the special businesses to be transacted at the meeting, is annexed hereto.
4. The Register of Members of the Company shall remain closed from Friday, 16th September, 2016 to Friday, 23rd September, 2016 (both days inclusive).
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., CORPORATE OFFICE, "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 2008-09 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 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](http://www.kothariproducts.in)).
7. Members are hereby also informed that Dividends which remain unclaimed/unencashed for a period of 7 years, from the date of transfer to the unpaid Dividend Accounts, have to be transferred by the Company u/s 205A to the Investors Education & Protection Fund (IEPF) constituted by the Central Government u/s 205C of the Companies Act, 1956.

The unpaid Dividend amount relating to the Financial Years 1995-96, 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 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 2008-09 WILL BE TRANSFERRED TO THE INVESTOR EDUCATION & PROTECTION FUND, AS PER THE PROVISIONS OF SEC.205A (5) OF THE COMPANIES ACT, 1956 IN OCTOBER, 2016. 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. 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 alongwith Regulation 44 of the SEBI (LODR) Regulations 2015, the members have been provided with the facility to cast their votes electronically through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The e-voting period commences on Tuesday, 20th September, 2016 (9:00 A.M. IST) to Thursday, 22nd September, 2016 (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 16th September, 2016 (being the cut-off date fixed by the Company for e-voting), may cast their votes electronically. The 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 e-voting or through the Physical Ballot form. If a member has opted for 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 e-voting then voting through e-voting shall prevail and voting done by physical ballot shall be treated as invalid. The instructions for E-voting and other details thereof are mentioned in the physical ballot form and 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.
13. 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.
14. 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](mailto:evoting@nsdl.co.in) or [info@kothariproducs.in](mailto:info@kothariproducs.in). 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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no. 1800-222-990.
15. The Company has appointed Sri AdeshTandon, 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.kothariproducs.in](http://www.kothariproducs.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within 3 days of passing the resolutions at the Thirty Second Annual General Meeting of the Company on Friday, 23rd September, 2016 and communicated to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited, where the shares of the Company are listed.
16. 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.
17. Pursuant to SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/re-appointment at this meeting are provided in the Corporate Governance Report forming part of the Annual Report.

18. The Securities & Exchange Board of India has notified that the shareholders/transferee 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 transfer, transmission or any other Corporate Action. Accordingly, all the Physical shareholders/transferee 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 transfer, transmission or any other Corporate Action.
19. All documents referred to in the accompanying notice and the explanatory statements 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.
20. Annual Report and AGM Notice is available at the website of the Company at [www.kothariproductions.in](http://www.kothariproductions.in) in the Investor Relation Section.

## **EXPLANATORY STATEMENT PURSUANT TO SEC 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS**

### **ITEM NO.5**

The re-appointment of Sri Deepak Kothari as Chairman & Managing Director of the Company was previously approved by the members in its 29th Annual General Meeting held on 13th September, 2013 for a period of 3 years w.e.f. 12th October, 2013. His tenure will therefore come to an end on 11th October, 2016. In view of his vast expertise and rich experience in the field of International Trade, Real Estate business etc., your Board of Directors in its meeting held on 20th May, 2016 has by unanimous consent reappointed him as Chairman & Managing Director pursuant to Section 203 of the Companies Act, 2013, as he is already the Chairman & Managing Director in Pan Parag India Ltd., one of its group Company, for a further period of 5 years w.e.f. 12th October, 2016 on the terms & conditions as mentioned in the Special Resolution at item No.5 of the Notice. The aforesaid appointment & remuneration have been approved by the Remuneration Committee.

As the above stated reappointment requires approval of the members by way of Special Resolution, hence the Special Resolution at item No.5 of the Notice.

The Board of Directors of the Company recommends you to pass the aforesaid resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Sri Deepak Kothari himself and Sri Mitesh Kothari, being his son and Executive Director of the Company, are concerned or interested, financial or otherwise, in the aforesaid resolution.

### **ITEM NO.6**

The re-appointment of Sri Mitesh Kothari as Executive Director of the Company was previously approved by the members in its 29th Annual General Meeting held on 13th September, 2013 for a period of 3 years w.e.f. 1st October, 2013. His tenure will therefore come to an end on 30th September, 2016.

Sri Mitesh Kothari, having done MBA from Buckingham University, has been associated with the Company since 1998 and accordingly he has been devoting his full time and attention to the business of the Company and has got good exposure of almost all the business activities of the Company. Your Board of Directors has therefore reappointed him as Executive Director for a further period of 5 years w.e.f. 1st October, 2016 on the terms and conditions as mentioned in the Special Resolution at item No.6 of the Notice. The aforesaid appointment and remuneration have been approved by the Remuneration Committee.

As the above stated reappointment requires approval of the members by way of Special Resolution, hence the Special Resolution at item No.6 of the Notice.

The Board of Directors of the Company recommends you to pass the aforesaid resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Sri Mitesh Kothari himself and Sri Deepak Kothari, being his father and Chairman & Managing Director of the Company, are concerned or interested, financial or otherwise, in the aforesaid resolution.

**ITEM NO. 7**

The members had authorized the Board of Directors through Postal Ballot on 26th December, 2015 to create charges/mortgages in respect of the borrowings made by the Company subject to a maximum Rs.2500 Crores by way of Special Resolution pursuant to the provision of Section 180(1)(a) of the Companies Act, 2013.

In view of the expansion plans of the Company as mentioned above there is need to avail additional financial assistance over and above the present financial assistances from Banks, Financial Institutions, Bodies Corporates, Other Entities, Person or Persons, due to which it may be required to further mortgage/charge its properties and / or extend the properties already charged to secure other financial assistances including securing the present facilities sanctioned and being availed. The Board therefore proposes to increase the aforesaid limit of Rs.2500 Crores to Rs.3000 Crores. Since the increase in the limits for creation of charge/mortgage tantamount to otherwise disposing of the undertakings of the Company, it shall be necessary to pass Special Resolution under Section 180(1)(a) of the Companies Act, 2013. Hence, the Special Resolution as set out at item No.7 of the notice.

The Board of Directors accordingly recommends the Special resolution set out at item No.7 of the accompanying notice for the approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the aforesaid resolution.

**ITEM NO. 8**

Smt. Sadhna Kothari, one of the original Promoters of the Company, had long back divested her stake in the Company to its existing promoters except very minor and insignificant shareholding (presently of 4500 Shares of Rs. 10/- each) constituting 0.01% of the total capital of the Company. She is neither having any role/designation in the Company nor has any control in it. However since she was one of the original Promoters hence she is being shown in the list of Promoters & Promoters Group in all the statutory filings done with the Stock exchanges/SEBI due to statutory requirements. Your Board of Directors is of the opinion that continuing her name in the promoters list as aforesaid gives misleading information to the public and statutory authorities hence it has decided to reclassify her from Promoters Group to Public category to give to public and government true and correct picture.

For aforesaid reclassification the approval of the Stock Exchanges/SEBI is required and they require approval of the members by way of Special resolution for this purpose. Hence the Special Resolution at Item No. 8 of this Notice.

The Board of Directors recommends you to pass the aforesaid resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the aforesaid resolution.

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

DATE : 20th May, 2016

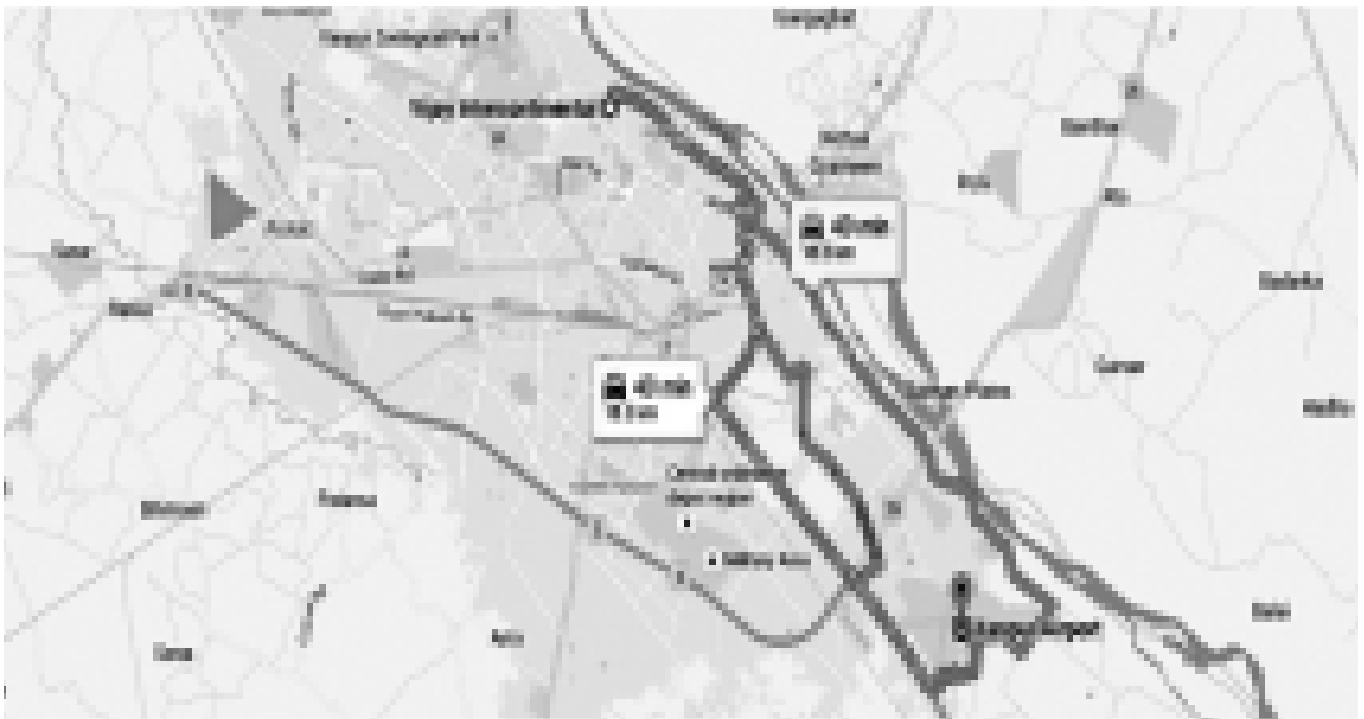
**By Order of the Board  
for KOTHARI PRODUCTS LTD.**

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

**Route Map No. 1 To the Venue of 32nd Annual General Meeting**



**Route Map No. 2 to the Venue of 32nd Annual General Meeting**



## DIRECTORS' REPORT

TO THE MEMBERS:

The Board of Directors of your Company presents herewith its 32nd Annual Report and Audited Accounts for the financial year ended 31st March, 2016. 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 31.03.2016	FINANCIAL YEAR ENDED 31.03.2015
Net Sales:	452545	452163
Other Income	12709	14427
Profit before Depreciation & Taxation	7949	7503
Less : Depreciation	169	166
Provision for Taxation:		
-Current Tax	2626	2496
-Deferred Tax	-84	-54
-Tax Adjustments for earlier years	93	-36
Profit after Tax	5145	4931
Add : Balance of Profit brought forward from previous year	37087	34409
Profit available for appropriation	<u>42232</u>	<u>39340</u>

### APPROPRIATIONS

Transfer to General Reserve	515	493
Interim Dividend Paid	895	0
Additional Tax on Interim Dividend Paid	182	0
Proposed Dividend	0	1293
Additional Tax on Proposed Dividend	0	259
Adjustment related to Fixed Assets	0	208
Balance of Profit carried forward	40640	37087
	<u>42232</u>	<u>39340</u>

### 2016 IN RETROSPECT

Your Directors are to report that the Company's sales turnover during the year under review has increased to Rs. 452545 Lacs from Rs. 452163 Lacs during the previous financial year registering only a marginal increase of 1% approximately. The Profit before depreciation & tax during the year has however increased to Rs. 7949 Lacs as against Rs. 7503 Lacs in the previous year resulting in an increase of 5.94%. The Profit after Tax has also increased similarly to Rs. 5145 Lacs as against Rs. 4931 Lacs of the previous year resulting in an increase of 4.34%. The aforesaid marginal increase in sales Turnover of the Company has been due to lower export sales but Company was able to record reasonable growth in its profitability.

### INTERNATIONAL BUSINESS :

The Company's export during the year under review has decreased to Rs. 393886 Lacs as compared to Rs. 436847 Lacs during the previous year resulting in decrease of 9.83%. 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.

### ISSUE OF BONUS SHARES

As you are aware your Directors have in its meeting held on 10th November, 2015, recommended Bonus Issue of 1 Equity Share for every 2 Equity Shares held as on 6th January, 2016, being the record date fixed for the purpose. The same was approved by you by way of Postal Ballot on 26th December, 2015. The aforesaid Bonus Shares have been allotted to the eligible shareholders of the Company on 7th January, 2016 and the said Bonus Shares have been listed also and available for trading on Bombay Stock Exchange & National Stock Exchange w.e.f. 12th January, 2016.

### **DIVIDEND RECOMMENDED**

The Board of Directors in its meeting held on 12th March, 2016, declared an Interim Dividend of Rs. 3/- per Equity share of Face value of Rs. 10/- each. The aforesaid dividend is tax free in the hands of the shareholders. Further the Board of Directors has not recommended any further dividend for the aforesaid year and has declared the aforesaid Interim Dividend as the Final Dividend for the year 2015-16.

### **CHANGES IN SHARE CAPITAL**

The Company has increased the authorized share capital of the Company from Rupees Twenty One Crores (Rs.21,00,00,000/-) divided into Two Crore Ten Lacs (2,10,00,000) Equity Shares of Rs.10/- each to Rupees Thirty One Crores (Rs.31,00,00,000/-) divided into Three Crore Ten Lacs (3,10,00,000) Equity Shares of Rs.10/- each after obtaining your approval through Postal Ballot on 26th December, 2015 to facilitate Issue of aforesaid Bonus Shares. Further, the paid-up share capital of the Company has also been increased, post allotment of aforesaid Bonus Shares on 7th January, 2016, from Rupees Nineteen Crores Eighty Nine Lacs Fifty Nine Thousand and One Hundred (Rs.19,89,59,100/-) divided into One Crore Ninety Eight Lacs Ninety Five Thousand Nine Hundred and Ten (1,98,95,910) Equity Shares of Rs.10/- each to Rupees Twenty Nine Crores Eighty Four lacs Thirty Eight Thousand Six Hundred and Fifty (Rs.29,84,38,650/-) divided into Two Crores Ninety Eight Lacs Forty Three Thousand Eight Hundred and Sixty Five (2,98,43,865) Equity Shares of Rs.10/- each.

### **SUBSIDIARIES AND ASSOCIATES**

The Company has, as on 31st March, 2016 eight subsidiaries namely Sukhdham Constructions & Developers Ltd., 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.), Riverview Land Developers Pvt. Ltd., Blackplinth Realtors Pvt. Ltd. & Savitrimata Realtors Private Limited as its Subsidiary Companies. Further, the Company also has, as on 31st March, 2016, seven Associate Companies as mentioned in the notes of the Standalone Financial Statements of the Company. There were no changes in the aforesaid Subsidiaries and Associates during the year under review.

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 head office of the holding company and of the subsidiary companies concerned.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Smt. Poonam Acharya, Non-Executive Director of the Company, who was appointed as an Additional Director of the Company on 24th July, 2015 and was appointed as a regular Director in the last Annual General Meeting, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for reappointment. Further, Smt. Arti Kothari had resigned from the Directorship of the Company w.e.f. 28th July, 2015. Sri Deepak Kothari, Chairman & Managing Director, Sri Mitesh Kothari, Executive Director will cease to hold their respective offices upto 11th October, 2016 and 30th September, 2016 respectively. The Board of Directors of your Company has at its meeting held on 20th May, 2016, proposed to re-appoint them on their respective posts subject to your approval at the ensuing Annual General Meeting for which necessary resolutions have been incorporated in the notice of the aforesaid meeting.

### **NUMBER OF THE BOARD MEETINGS**

The Company held Seven Board Meetings during the year 2015-16 the details of aforesaid meetings are given in the Corporate Governance Report.

### **DEPOSITS**

The Company has not accepted any Deposits during the financial year 2015-16 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, 2016, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year under review on a going concern basis.
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **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 Requirements) 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 AND AUDITORS' REPORT**

M/s Mehrotra & Mehrotra, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from M/s Mehrotra & Mehrotra, Chartered Accountants, to the effect that their re-appointment, if made, would be within the prescribed limits of Section 141 of the Companies Act, 2013 and that they are not disqualified for such re-appointment within the meaning of aforesaid Section.

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

### **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 is relating to interrupted functioning of MCA Portal at the relevant time. However the due filing shall be done as soon as the portal starts functioning smoothly.

### **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 the 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 Requirements) 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 2015-16 and hence no complaint is outstanding as on 31.03.2016 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 has been experiencing multiple headwinds. Economic growth has stagnated, commodity prices have declined, turbulence in currency and equity markets continues. Going Forward, global growth is projected to edge up but at a slower pace than envisioned last year.

Indian Economy accelerated despite a double digit decline in exports. Notwithstanding unexpected delays in enacting some economic reform, the prospects of continued rapid growth are undiminished.

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 developing at a growth rate which is ahead of all other developing economies 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 performance of the Trading & Real Estate etc. divisions has been vary marginal in revenue and profits as compared to the previous year. The revenue of the Trading division during the year under review has been Rs. 463872 Lacs as compared to Rs. 465236 Lacs during the previous year and that of the Real Estate etc., has been Rs. 1382 Lacs as compared to Rs. 1351 Lacs during the previous year. However the profit before tax and interest from both the aforesaid division at Rs. 9510 Lacs and Rs. 969 Lacs respectively have shown reasonable growth as compared to previous year figures at Rs. 8007 Lacs & Rs. 7919 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. With the stable and growth oriented Government at the Center and its focus on the development of the infrastructure of the country and with the rising demand for the houses the outlook for the real estate industry appears to be bright. 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", "2016 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, 2016 the Company had 59 employees on its roll.

### **RISK MANAGEMENT**

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**

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

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

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

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

(Amount in Lacs)

		<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
a)	Earning in Foreign Exchange	<b>393886</b>	436847
b)	Expenditure in Foreign Currency	<b>447808</b>	427590

### **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, 2016 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**

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 : 20th May, 2016

## 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, 2015 is Rs. 75,57,86,050.

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

The prescribed CSR expenditure for the year is Rs. 1,51,15,721 (2% of Rs. 75, 57, 86,050). However the Company has contributed Rs. 1,52,15,721 to "Maa Sharda Charitable Trust".

#### 5. Details of CSR spent during the financial year

The Company has contributed an amount of Rs. 1,52,15,721 being 2.01% of the average net profits for the 3 preceding financial years ended on 31st March, 2015. 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.

(Rs. In Crores)

Sl. 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	1.52	3.04	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 : 20th May, 2016

**ANNEXURE - 2 TO DIRECTORS' REPORT**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

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

To,  
**The Members,**  
**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, 2016, 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, 2016 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 Audit Period)**
- 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, 1992 and SEBI (Prohibition of Insider Trading) 2015 as applicable during the period under review;
  - (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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- i) **I 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) Secretarial Standards issued by The Institute of Company Secretaries of India **(as applicable during the year w.e.f. 1st July 2015)**.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 **(as applicable during the year w.e.f. 1st December, 2015)**.

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 observation namely Two forms MGT-14 are pending for filing.

**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 instance of Public/Right/Preferential issue of shares/ debentures/sweat equity, etc. However the company has allotted 99,47,955 equity shares of Rs.10/- each by way of bonus issue on 7th, January, 2016 by capitalization of general reserves.
- (ii) No instances of redemption/Buy back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180(1) (a) & 180 (1) (c) of the Companies Act, 2013.
- (iv) No instance of Merger / amalgamation / reconstruction, etc.
- (v) No instance of foreign technical collaborations.

**Adesh Tandon & Associates**  
**Company Secretaries**

**Date: 20/05/2016**  
**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 2015-16, Ratio of remuneration of each Director to Median Remuneration of Employees of the Company for the Financial Year 2015-16 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 2015-16 (Rs.)	% Increase in Remuneration in the Financial Year 2015-16	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	27032515	9.08	78.60	Profit After tax increased by 4.34% for the Financial Year 2015-16
2.	Sri Mitesh Kothari, Executive Director	31159423	4.94	90.60	
3.	Sri Raj Kumar Gupta, CS & Compliance Officer	790800	9.90	2.30	
4.	Sri Anurag Tandon, C.F.O.	2390640	--NIL--	6.95	

2. The median remuneration of employees of the company during the financial year was Rs. 3,43,912.

3. In the financial year, there was a decrease of 14% in the median remuneration of employees.

4. There were 59 permanent employees on the rolls of the Company as on 31st March, 2016.

5. Relationship between average decrease in remuneration and Company performance:-

The Profit After tax increased by 4.34% for the Financial Year 2015-16 whereas the decrease in median remuneration was 14%. The average decrease in median remuneration was in line with the decrease of salary in the industry.

6. Comparison of remuneration of the Key Managerial Personnel(s) against the performance of the company:

The total remuneration of Key Managerial Personnel(s) increased by 8.32% from Rs. 27892858 in 2014-15 to Rs. 30213955 in 2015-16 whereas the profit after tax increased by 4.34% to Rs. 5145 Lacs in 2015-16 (Rs. 4931 Lacs in 2014-15).

7. (a) Variations in the market capitalization of the Company:

The market capitalization as on 31st March, 2016 was Rs.5081664113 (Rs. 3993109137 as on 31st March, 2015).

- (b) Price Earnings Ratio of the Company as at 31st March, 2016 and as at 31st March, 2015 : 9.88 and 8.10 respectively.

- (c) Percent increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer:

Increase of 383.12% in the market quotations of the shares of the Company (Rs. 170.28 as on 31st March, 2016 after Bonus issue of 2:1 in 2014 & 1:2 in 2016) as compared to the rate of Rs. 200 at which the Company came out with the last public offer.

8. Average percentage decrease in the salaries of employees other than the Managerial Personnel in the last financial year i.e. 2015-16 was 14 % whereas increase in the Managerial Personnel remuneration was 7.97% during the last financial year.
9. Comparison of remuneration of the Key Managerial Personnel(s) against the performance of the company:  
The aforesaid comparison has been mentioned at point No. 1 above
10. The Key parameters for any variable component of remuneration availed by the Directors:  
Only commission is the variable component of remuneration availed by the whole time Directors and its key parameter is that it is calculated at fixed percentage on the net profit of the Company for a particular Financial Year.
11. The ratio of the remuneration of the highest paid Directors to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year :-  
No Non Director Employee of the Company received remuneration during the year 2015-16 in excess of the highest paid Director of the Company.
12. It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

**For and on behalf of the Board**

PLACE : KANPUR  
DATE : 20th May, 2016

Sd/-  
**(DEEPAK KOTHARI)**  
*Chairman & Managing Director*

Sd/-  
**(MITESH KOTHARI)**  
*Executive Director*

**ANNEXURE “4” TO DIRECTORS’ REPORT**

**Statement pursuant to Section 197(12) of the Companies Act, 2013 and The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 as amended till date.**

Sl. No.	Name of Employee	Designation & Nature of Duties	Gross Remuneration (Rs.)	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	27032515/-	Contractual	Graduate	07.09.1988	65/43	-----	55.55%
2.	Sri Mitesh Kothari	Executive Director / Management	31159423/-	-----do-----	MBA	01.04.2000	39/19	-----	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 13th September, 2013.
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.

**For and on behalf of the Board**

PLACE : KANPUR  
DATE : 20th May, 2016

Sd/-  
**(DEEPAK KOTHARI)**  
*Chairman & Managing Director*

Sd/-  
**(MITESH KOTHARI)**  
*Executive Director*

## ANNEXURE - 5 TO DIRECTORS' REPORT

### FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

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. Corporate Office "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	35.59%
2	Wholesale Trading of Oil	4661	11.58%
3	Wholesale Trading of Construction Materials (Tiles etc.)	4663	26.69%
4	Wholesale Trading of Machine & Spares	4651	13.59%

#### 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	Sukhdham Constructions & Developers Limited C/62, Vibgyor Tower, 9th Floor, BandraKurla Complex, Bandra East, Mumbai- 400 051	U70100MH2003PLC138914	SUBSIDIARY	100%	2(87)

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
2	MK Web-Tech Pvt. Ltd. C/62, Vibgyor Tower, 9th Floor, Bandra Kurla Complex, Bandra East, Mumbai- 400 051	U72200MH2005PTC152153	SUBSIDIARY	100%	2(87)
3	KPL Exports Pvt. Limited "Pan Parag House" 24/19, The Mall, Kanpur-208 001	U74900UP2008PTC035118	SUBSIDIARY	100%	2(87)
4	Kothari Products Singapore Pte. Limited 101 Cecil Street # 11-01, Tong Eng Building, Singapore - 069 533	200809977K	SUBSIDIARY	99.9998%	2(87)
5	Savitrimata Realtors Pvt. Ltd. 7 Chittaranjan Avenue, PS Bowbazar, Kolkata - 700072	U45400WB2006PTC108572	SUBSIDIARY	51%	2(87)
6	Blackplinth Realtors Pvt. Ltd. C/62, Vibgyor Tower, 9th Floor, Bandra Kurla Complex, Bandra East, Mumbai- 400 051	U45400MH2011PTC219443	SUBSIDIARY	54%	2(87)
7	Riverview Land Developers Pvt. Ltd. C/62, Vibgyor Tower, 9th Floor, BandraKurla Complex, Bandra East, Mumbai- 400 051	U70100MH1999PTC123330	SUBSIDIARY	90%	2(87)
8	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)
9	HaraParvati Realtors Pvt. Ltd. 7 Chittaranjan Avenue, PS Bowbazar, Kolkata - 700072	U70101WB2006PTC108570	ASSOCIATE	50.00%	2(6)
10	Real Griha Nirman Private Ltd. 7 Chittaranjan Avenue, Kolkata - 700072	U45201WB2004PTC100346	ASSOCIATE	50%	2(6)
11	Shubhadra Realtors Private Ltd. 7 Chittaranjan Avenue, Kolkata - 700072	U70109WB2006PTC111280	ASSOCIATE	50%	2(6)
12	Sankhya Realtors Private Ltd. 7,Chittaranjan Avenue, 3rd. Floor, Kolkata - 700072	U45200WB2006PTC111454	ASSOCIATE	45%	2(6)
13	SPPL Hotels Private Ltd. 7 Chittaranjan Avenue, 3rd Floor, Kolkata - 700072	U55101WB2005PTC106405	ASSOCIATE	50%	2(6)

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
14	Sattva Realtors Pvt. Ltd. Salarpuria Windsor, 4th Floor, No.3, Ulsoor Main Road, Ulsoor, Bangalore - 560001	U70102KA2007PTC044240	ASSOCIATE	25%	2(6)
15	Neelanchal Con – Tech Pvt. Ltd. Salarpuria Windsor, 4th Floor, No.3, Ulsoor Main Road, Ulsoor, Bangalore - 560001	U45205KA2011PTC058638	ASSOCIATE	50%	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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	12718905	3000	12721905	63.94	19077907	4500	19082407	63.94	50
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	2199999	0	2199999	11.06	3299998	0	3299998	11.06	50
d) Bank/Fl	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	14918904	3000	14921904	75	22377905	4500	22382405	75	50
<b>(2) Foreign</b>									
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/Fl	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	14918904	3000	14921904	75	22377905	4500	22382405	75	50
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/Fl	3267	0	3267	0.01	4004	0	4004	0.01	23
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	1670	0	1670	0.01	0	0	0	0	-100
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 Portfolio Investor	0	0	0	0	300	0	300	0.001	0.001
<b>SUB TOTAL (B)(1):</b>	4937	0	4937	0.02	4304	0	4304	0.014	-13

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>										
a)	Bodies corporates									
	i) Indian	2931623	1500	2933123	14.74	4420661	2250	4422911	14.82	51
	ii) Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	1441261	145200	1586461	7.97	2165652	196891	2362543	7.92	49
	ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	255328	86100	341428	1.72	446448	129150	575598	1.93	69
c)	Others (specify)									
	NRI	108057	0	108057	0.54	96104	0	96104	0.32	-11
<b>SUB TOTAL (B)(2):</b>		<b>4736269</b>	<b>232800</b>	<b>4969069</b>	<b>24.98</b>	<b>7128865</b>	<b>328291</b>	<b>7457156</b>	<b>24.98</b>	<b>50</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>		<b>4741206</b>	<b>232800</b>	<b>4974006</b>	<b>25</b>	<b>7133169</b>	<b>328291</b>	<b>7461460</b>	<b>25</b>	<b>50</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs"</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>		<b>19660110</b>	<b>235800</b>	<b>19895910</b>	<b>100</b>	<b>29511074</b>	<b>332791</b>	<b>29843865</b>	<b>100</b>	<b>50</b>

**(ii) SHAREHOLDING OF PROMOTERS**

SI 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	Arti Kothari	1895316	9.526	0	0	0.000	0	-100
2	Avinash Gupta	1500	0.008	0	2250	0.008	0	50
3	Deepak Kothari Jointly With Arti Kothari	9155748	46.018	0	16576596	55.544	0	81
4	Mitesh Kothari	405954	2.040	0	609570	2.043	0	50
5	Mitesh Kothari (HUF)	1218732	6.126	0	1828098	6.126	0	50
6	Reeta Dilip Shah	4500	0.023	0	6750	0.023	0	50
7	Sadhna V Kothari	3000	0.015	0	4500	0.015	0	50
8	Sharda Mansukhlal Kothari	426	0.002	0	0	0.000	0	-100
9	Urvi Kothari	36429	0.183	0	54643	0.183	0	50
10	Mansukhlal Mahadev Kothari	300	0.001	0	0	0.000	0	-100
11	Dham Securities Pvt. Ltd.	2199999	11.058	0	3299998	11.058	0	50
	<b>TOTAL</b>	<b>14921904</b>	<b>75.000</b>	<b>0</b>	<b>22382405</b>	<b>75.000</b>	<b>0</b>	<b>50</b>

**(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	Smt. Arti Kothari	1895316	9.526	0	0	Transfer of shares by way of gift to Sri Deepak Kothari on 28/10/2015
2	Dr. Avinash Gupta	1500	0.008	2250	0.008	Shareholding increased by way of Bonus shares allotted on 07.01.2016
3	Sri Deepak Kothari Jointly with Smt. Arti Kothari	9155748	46.018	16576596	55.544	Shareholding increased by way of Bonus shares allotted on 07.01.2016 and transfer of shares by Arti Kothari as mentioned above
4	Sri Mitesh kothari	405954	2.04	609570	2.043	Shareholding increased by way of Bonus shares allotted on 07.01.2016 and transfer of Shares by Sharda Mansukhlal Kothari
5	Mitesh Kothari (HUF)	1218732	6.126	1828098	6.126	Shareholding increased by way of Bonus shares allotted on 07.01.2016
6	Reeta Dilip Shah	4500	0.023	6750	0.023	Shareholding increased by way of Bonus shares allotted on 07.01.2016
7	Sadhna V Kothari	3000	0.015	4500	0.015	Shareholding increased by way of Bonus shares allotted on 07.01.2016
8	Sharda Mansukhlal Kothari	426	0.002	0	0	Transfer to Mitesh Kothari as mentioned above
9	Urvi Kothari	36429	0.183	54643	0.183	Shareholding increased by way of Bonus shares allotted on 07.01.2016
10	Mansukhlal Mahadev kothari	300	0.001	0	0	Sold
11	Dham Securities Pvt. Ltd.	2199999	11.058	3299998	11.058	Shareholding increased by way of Bonus shares allotted on 07.01.2016
	<b>TOTAL</b>	<b>14921904</b>	<b>75</b>	<b>22382405</b>	<b>75</b>	



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & 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.	1126743	5.663	1690114	5.663	Shareholding increased by way of Bonus Shares allotted on 07.01.2016
2	U.V.Buildcon Pvt. Ltd.	406079	2.041	609118	2.041	Shareholding increased by way of Bonus Shares allotted on 07.01.2016
3	K.Raheja Corp. Pvt. Ltd.	308478	1.55	462717	1.55	Shareholding increased by way of Bonus Shares allotted on 07.01.2016
4	Sattva Developers Pvt. Ltd.	300000	1.508	450000	1.508	Shareholding increased by way of Bonus Shares allotted on 07.01.2016
5	Vaishali Traders Pvt. Ltd.	269100	1.353	388650	1.302	Shareholding increased by way of Bonus Shares allotted on 07.01.2016 & Transfer of 15000 shares (No date of transfer will be found because these shares are held in demat form)
6	UFLEX Ltd.	228600	1.149	342900	1.149	Shareholding increased by way of Bonus Shares allotted on 07.01.2016
7	Vivek Mehrotra	86100	0.433	129150	0.433	Shareholding increased by way of Bonus Shares allotted on 07.01.2016
8	Adit Realty Pvt. Ltd.	60000	0.302	84850	0.284	Shareholding increased by way of Bonus Shares allotted on 07.01.2016 & Transfer of 5150 shares (No date of transfer will be found because these shares are held in demat form)
9	Gopikishan Shivkishan Damani	45000	0.226	67500	0.226	Shareholding increased by way of Bonus Shares allotted on 07.01.2016
10	Yogita Garg	42900	0.216	64350	0.216	Shareholding increased by way of Bonus Shares allotted on 07.01.2016

**(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	9155748	46.02	16576596	55.55
2	Sri Mitesh Kothari	405954	2.04	609570	2.04
3	Smt.Arti Kothari	1895316	9.53	-	-
4	Dr.Avinash Gupta	1500	0.01	2250	0.01
5	Sri Pramod Kumar Tandon	Nil	Nil	Nil	Nil
6	Smt. Poonam Acharya	Nil	Nil	Nil	Nil
7	Sri Vikas Chaturvedi	Nil	Nil	Nil	Nil
8	Sri Raj Kumar Gupta	Nil	Nil	Nil	Nil
9	Sri Anurag Tandon	Nil	Nil	Nil	Nil

## V INDEBTEDNESS

(Amt. in Rs.)

<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtness at the beginning of the financial year</b>	1,212,147,758.54	18,327,359.00	20,496,050.00	1,250,971,167.54
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	1,212,147,758.54	18,327,359.00	20,496,050.00	1,250,971,167.54
<b>Change in Indebtedness during the financial year</b>				
Additions		2,985,573.97		2,985,573.97
Reduction	738,593,224.18			738,593,224.18
Net Change				
<b>Indebtedness at the end of the financial year</b>	473,554,534.36	21,312,932.97	20,496,050.00	515,363,517.33
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	473,554,534.36	21,312,932.97	20,496,050.00	515,363,517.33

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(Amt. in Rs.)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount (in Rs.)
		Deepak Kothari	Mitesh Kothari	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	1080000	900000	1980000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2560673	6876235	9436908
	(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 3% of profit others (specify)	23339919	23339919	46679838
5	Others, please specify			
	Gratuity	51923	43269	95192
	<b>Total (A)</b>	27032515	31159423	58191938
	<b>Ceiling as per the Act</b>	Rs. 82700819 (Being 10% of the net profit of the Company calculated as per Sec.198 of the Companies Act, 2013)		

**B. Remuneration to other directors:**

(Amt. in Rs.)

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	21,000	3000	18,000	42000
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	<b>Total (1)</b>	21000	3000	18000	42000
2	Other Non Executive Directors	<b>Poonam Acharya</b>			
	(a) Fee for attending Board Meetings	3000	-	-	3000
	(b) Commission	0	-	-	0
	(c) Others, please specify.	0	-	-	0
	<b>Total (2)</b>	3000	-	-	3000
	<b>Total (B)=(1+2)</b>	24000	3000	18000	45000
	<b>Ceiling as per the Act</b>	Rs. 8270082 (Being 1% of the net profit of the Company calculated as per sec. 198 of the Companies Act, 2013).			
	<b>Total Managerial Remuneration</b>	58236938			
	<b>Overall Ceiling as per the Act.</b>	Rs.90970900 (Being 11% of the net profit of the Company calculated as per sec. 198 of the Companies Act, 2013).			

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

(Amt. in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS & Compliance Officer	CFO	
		Raj Kumar Gupta	Anurag Tandon	
1	<b>Gross Salary</b>			<b>Total</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	783600	2390640	3174240
	(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	-	-	-
	<b>Total</b>	<b>790800</b>	<b>2390640</b>	<b>3181440</b>

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

THERE WERE NO PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES FOR THE YEAR ENDING 31ST MARCH, 2016.

**For and on behalf of the Board**

PLACE : KANPUR  
DATE : 20th May, 2016

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 : 20th May, 2016

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.

### 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 2016, 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, 2016 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	2	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 Shareholders'/Investors' Grievance Committees 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	7	5	-
Sri Mitesh Kothari	7	4	PRESENT
Dr. Avinash Gupta	7	1	-
Sri Pramod Kumar Tandon	7	7	PRESENT
Sri Vikas Chaturvedi	7	6	PRESENT
Smt. Poonam Acharya	7	1	-

#### NO. OF MEETINGS HELD DURING THE YEAR & DATES

During the financial year 2015-16 Seven (7) Board Meetings were held. The dates on which the said Meetings were held are given below:

27th May, 2015, 11th August, 2015, 10th November, 2015, 26th December, 2015, 7th January, 2016, 6th February, 2016 and 12th March, 2016.

### 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, 2016 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 include:

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 Rupees)

Name of Director	Sri Deepak Kothari	Sri Mitesh Kothari	Dr. Avinash Gupta	Sri Pramod Kumar Tandon	Sri Vikas Chaturvedi	Smt. Poonam Acharya
<b>Salary</b>	10,80,000	9,00,000	—	—	—	—
<b>Gratuity</b>	51,923	43,269	—	—	—	—
<b>Perquisites</b>	25,60,673	68,76,235	—	—	—	—
<b>Commission</b>	2,33,39,919	2,33,39,919	—	—	—	—
<b>Sitting Fees</b>	—	—	3000	21,000	18,000	3000

### 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, 2016 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	2
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 31st March, 2016.

### 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 comprising of Sri Pramod Kumar Tandon as Chairman of the committee and Sri Deepak Kothari and Dr. Avinash Gupta as members of the Committee. 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, 2016 is same as mentioned above.

## 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, 2016 is as under:-

<b>Names of Directors</b>	<b>Designation in the Committee</b>	<b>Category</b>
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 Six non-listed Indian Subsidiaries and Two non-listed Foreign Subsidiaries. In terms of Regulation 24 of SEBI (Listing Obligations & Disclosure Requirements) 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
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
29th AGM	13th September, 2013	11.30 A.M.	“ROYAL CLIFF”,113/72, SWAROOP NAGAR, OPPOSITE MOTIJHEEL GATE NO.1, KANPUR

### Details of special resolution(s) passed in the previous 3 annual general meetings:-

Annual General Meeting	No. of Special Resolutions
31st	NIL
30th	1
29th	3

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.

At the 29th Annual General Meeting held on September 13th, 2013, three Special Resolutions were passed relating to re-appointment of Sri Deepak Kothari as Chairman & Managing Director & Sri Mitesh Kothari as Executive Director for a period of three years and increase of sitting fees of Non-Executive Directors of the Company from Rs.1000/- to Rs.3000/-. The resolutions were put to vote by show of hands and were passed unanimously.

### DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the year under review Five (5) Special Resolutions were passed through Postal Ballot on 26th December, 2015.

Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notices dated 10th November, 2015 were sent on 24th November, 2015 to the shareowners seeking their approvals through Postal Ballot on the following Resolutions :-

1. Special Resolution u/s 63 of the Companies Act, 2013 for issue of Bonus Shares.
2. Special Resolution u/s 61, 13 & 14 of the Companies Act, 2013 for increase of Authorised Share Capital and Alteration in Articles & Memorandum of Association of the company.
3. Special Resolution u/s 186 of the Companies Act, 2013 for making Inter Corporate Investments, Loans, Guarantees & Securities.
4. Special Resolution u/s 180 (1) (a) of the Companies Act, 2013 for Creation of Mortgages or Charges.
5. Special Resolution u/s 180 (1) (c) of the Companies Act, 2013 for borrowing monies in excess of the limits prescribed.

The Company had appointed Mr. Adesh Tandon, a practicing Company Secretary of Kanpur as scrutinizer for conducting the aforesaid Postal Ballot process in a fair & transparent manner. The last date for receipt of the Postal Ballot forms by the Company was fixed as 26th December, 2015. The aforesaid Scrutinizer had submitted his report on 26th December, 2015 to the Chairman of the Company and the Chairman had announced the result of the aforesaid Postal Ballot process on 26th December, 2015 and the Company had submitted the same to the Stock Exchanges and also placed the same on its website. The aforesaid result was also published in the “The Financial Express” all Editions dated 29th December, 2015 & “Hindustan” Kanpur Edition dated 29th December, 2015.

The Details of voting on the aforesaid resolutions were as under :-

Sl. No.	Matter of Resolutions	Date of Passing	Voting Results			Passed By
			For	Against	Invalid Votes	
1.	Issue of Bonus Shares by capitalization of reserves	26.12.2015	99.999%	NIL	0.001%	Requisite Majority
2.	Increase of Authorised Share Capital	26.12.2015	99.999%	NIL	0.001%	Requisite Majority
3.	Inter Corporate Investments, Loans, Guarantees & Securities.	26.12.2015	99.994%	0.005%	0.001%	Requisite Majority
4.	Creation of Mortgages or Charges	26.12.2015	99.994%	0.005%	0.001%	Requisite Majority
5.	Borrowing of monies in excess of Prescribed Limits	26.12.2015	99.994%	0.005%	0.001%	Requisite Majority

None of the items transacted at the last Annual General Meeting held on 24th September, 2015 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 2015-16, 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. <a href="http://www.kothariproductions.in">http://www.kothariproductions.in</a>
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

- The Company has complied with all mandatory requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as on 31st March, 2016.
- Adoption of non-mandatory requirements as at 31st March, 2016:-

### 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, 2016.

### d) Reporting of Internal Auditor

The Internal Auditor of the Company reports directly to the Audit Committee of the Company.

## DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

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

<b>Name of Director</b>	Poonam Acharya	Mitesh Kothari	Deepak Kothari
<b>Date of Birth</b>	23/07/1968	26.08.1976	26.06.1951
<b>Date of Appointment</b>	24/07/2015	13/09/2013	13/09/2013
<b>Qualification</b>	M.Com, B.Ed.	MBA	MA (English)
<b>Expertise in Specific Functional Areas</b>	She has rich teaching experience and general business experience.	He has got a rich business experience in almost all the functional areas of the Company.	He plays a crucial role in the overall management of Kothari Group with his rich experience and knowledge.
<b>Directorships held in other Companies*</b>	NIL	<ol style="list-style-type: none"> <li>1. Blackplinth Realtors Pvt. Ltd.</li> <li>2. KPL Exports Pvt. Ltd.</li> <li>3. Pan Parag India Ltd.</li> <li>4. Riverview Land Developers Pvt. Ltd.</li> <li>5. Savitrimata Realtors Pvt. Ltd.</li> <li>6. Sukhdham Constructions &amp; Developers Ltd.</li> <li>7. Sattva Realtors Ltd</li> </ol>	<ol style="list-style-type: none"> <li>1. KPL Exports Pvt. Ltd.</li> <li>2. Kothari Products Singapore Pvt. Ltd.</li> <li>3. Pan Parag India Ltd.</li> <li>4. Sattva Realtors Ltd.</li> </ol>
<b>Committee Positions held in other Company #</b>	NIL	NIL	2

\* 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 Requirements) 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 : 23rd September, 2016
- TIME : 11:30 A.M.
- VENUE : Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave-3, Kanpur

#### FINANCIAL CALENDER

(1st April, 2016 to 31st March, 2017)

Results for the first quarter ending 30.06.2016	On or before 14th September, 2016
Results for the second quarter & half-year ending 30.09.2016	On or before 14th December, 2016
Results for the third quarter ending 31.12.2016	On or before 14th February, 2017
Results for the fourth quarter & year ending 31.03.2017	On or before 30th May, 2017

- **Dates of Book Closure** : 16th September, 2016 to 23rd September, 2016 (both days inclusive)
- **Dividend Payment Date** : N.A.
- **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 2015-16 to both the aforesaid Stock Exchanges

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

<b>MONTH</b>	<b>HIGH (Amount in Rs.)</b>	<b>LOW (Amount in Rs.)</b>
APRIL 2015	235	198.15
MAY 2015	224.7	202.15
JUNE 2015	214.85	192.95
JULY 2015	236	200.55
AUGUST 2015	239	185
SEPTEMBER 2015	233.55	194.55
OCTOBER 2015	270.4	200.15
NOVEMBER 2015	327	246.3
DECEMBER 2015	399	267
JANUARY 2016	376	150
FEBRUARY 2016	208.9	148.3
MARCH 2016	184	156.55

#### **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.  
Corporate Office  
"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, 2016 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	7690	88.789	123591	963740	0.42	3.23	1087331
501 - 1000	485	5.6	16000	351693	0.05	1.18	367693
1001 - 5000	411	4.745	34400	851654	0.12	2.85	886054
5001 - 10000	39	0.45	29650	240905	0.10	0.81	270555
10001 - 20000	12	0.139	0	164862	0	0.55	164862
20001 - 30000	3	0.035	0	74832	0	0.25	74832
30001 - 40000	0	0	0	0	0	0	0
40001 - 50000	2	0.023	0	94702	0	0.32	94702
50001 - 100000	8	0.092	0	510925	0	1.71	510925
100001 - 500000	5	0.058	129150	1644267	0.43	5.51	1773417
500001 - Above	6	0.069	0	24613494	0	82.47	24613494
<b>Total</b>	<b>8661</b>	<b>100</b>	<b>332791</b>	<b>29511074</b>	<b>1.12</b>	<b>98.88</b>	<b>29843865</b>

#### DEMATERIALISATION OF SHARES AND LIQUIDITY

Nearly 98.88% of total Equity Share Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2016. 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, 2016:

Category	No. of Shares Held	% of Holding
Promoters & Promoter Group	22382405	75
Indian Public – Individuals	2938141	9.85
Indian Public - Corporate Bodies	4422911	14.82
Indian Public – Financial Institutions/ Banks	4004	0.01
Foreign Holding :-		
(i) Foreign Portfolio Investor	300	0.00
(ii) NRI(s)	96104	0.32
<b>Total</b>	<b>29843865</b>	<b>100.00</b>



## **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@kothariproducs.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.)  
Corporate Office  
“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, 2016 as stipulated in Clause 49 of the Listing Agreement ("Listing Agreement") of the Company with the Stock Exchanges for the period from April 01, 2015 to November 30, 2015 and 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 for the period December 1, 2015 to March 31, 2016.

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 : 20th May, 2016

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## **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, 2016, compliance with the code of conduct of the Company laid down for them.

Sd/-  
(Deepak Kothari)  
Chairman & Managing Director

PLACE : KANPUR  
DATE : 20th May, 2016



## **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, 2016 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.

Sd/-  
**(Deepak Kothari)**  
**Chairman & Managing Director**

Sd/-  
**(Anurag Tandon)**  
**Chief Financial Officer**

Place :Kanpur

Date :20th May, 2016

**STANDALONE  
AND  
CONSOLIDATED  
FINANCIAL STATEMENTS**

## **INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
Kothari Products Limited

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

We have audited the accompanying standalone financial statements of KOTHARI PRODUCTS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 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, 2016, and its profit and its cash flows for the year ended on that date.

### **Report on Other legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone 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 as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 64(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

Place: Kanpur  
Date : 20th May, 2016

(Vivek Kumar)  
PARTNER  
Membership No. 408227

## **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 31st March, 2016 in conjunction with our audit of the standalone 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 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 : 20th May, 2016



## **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 from its four subsidiary companies and two associate companies were Rs. 16820 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 two subsidiary companies) 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 ended outstanding has been Rs.50 lacs 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, 2016 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, 2016.

- (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

Place: Kanpur  
Date : 20th May, 2016

(Vivek Kumar)  
PARTNER  
Membership No. 408227

## BALANCE SHEET AS AT 31st MARCH, 2016

	NOTE	As at 31.03.2016 (Amount in ₹ Lacs)	As at 31.03.2015 (Amount in ₹ Lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareowners' Funds</b>			
(a) Share Capital	2	2985	1990
(b) Reserves and Surplus	3	75238	72165
<b>(2) Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	0	41
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	5	4948	12305
(b) Trade Payables	6	239243	222615
(c) Other Current Liabilities	7	30302	69470
(d) Short Term Provisions	8	7247	9372
<b>Total</b>		<u>359963</u>	<u>387958</u>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	9	2514	2397
(b) Non-current Investments	10	32418	17720
(c) Deferred Tax Assets (net)	11	42	0
(d) Long Term Loans and Advances	12	5625	10374
<b>(2) Current Assets</b>			
(a) Current Investments	13	103772	139305
(b) Inventories	14	7625	6813
(c) Trade Receivables	15	179062	180853
(d) Cash and Cash Equivalents	16	5069	3813
(e) Short Term Loans and Advances	17	23836	26683
<b>Total</b>		<u>359963</u>	<u>387958</u>
<b>Significant Accounting Policies</b>	1		
<b>Notes are an integral part of the financial statements.</b>	2-40		

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 : 20th May, 2016

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31st MARCH, 2016

	NOTE	Year Ended 31st March 2016 (Amount in ₹ Lacs)	Year Ended 31st March 2015 (Amount in ₹ Lacs)
<b>I. REVENUE FROM OPERATIONS :</b>			
Revenue From Operations	18	464159	464816
Other Income	19	1095	1774
<b>Total Revenue</b>		<b>465254</b>	<b>466590</b>
<b>II. EXPENSES :</b>			
Purchases of Stock-in-trade	20	448063	442118
Increase (-) / Decrease (+) in Inventories of Stock-in-trade	21	-811	1099
Employee Benefit Expenses	22	203	204
Finance Cost	23	2699	1461
Depreciation and Amortization Expenses	9	169	166
Other Expenses	24	7151	14205
<b>Total Expenses</b>		<b>457474</b>	<b>459253</b>
<b>III. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS:</b>			
		7780	7337
<b>(There is no discontinuing operation)</b>			
<b>Less : Tax Expenses :</b>			
1) Current Tax		2626	2496
2) Deferred Tax		-84	-54
3) Provision of Income tax for Earlier Year (Net)		93	-36
<b>IV. PROFIT FOR THE YEAR :</b>		<b>5145</b>	<b>4931</b>
<b>V. BASIC &amp; DILUTED EARNING PER SHARE (in Rs.) :</b>			
(a) Basic (Refer Note No. 32)		17.24	16.52
(b) Diluted (Refer Note No. 32)		17.24	16.52
<b>Significant Accounting Policies</b>	1		
<b>Notes are an integral part of the financial statements</b>	2-40		

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 : 20th May, 2016

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## Notes to Financial Statements

### Note:1 SIGNIFICANT ACCOUNTING POLICIES

#### 1.1. 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 Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act,2013.

##### B. USE OF ESTIMATES :

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) 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.

#### 1.2. FIXED ASSETS AND DEPRECIATION :

All fixed assets 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.

#### 1.3. 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.

#### 1.4. INVENTORIES :

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

#### 1.5. INVESTMENTS :

Investments are stated at cost less fall in their market value, if considered permanent.

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

#### 1.6. 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.

### **1.7. 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.

### **1.8. 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.

### **1.9. 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.

### **1.10. 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.

### **1.11. 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.

### **1.12. 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.

### **1.13. CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents comprises cash on hand, cash in bank, fixed deposits and other short term highly liquid investments with an original maturity of three months or less that are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.

### **1.14. CASH FLOW STATEMENT:**

Cash flows are reported using the indirect method whereby cash flows from operating, investing and financing activities of the Company are segregated and profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

### **1.15. 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.

### **1.16. 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.

**As at**  
**31st March 2016**  
**(Amount in ₹ Lacs)**

**As at**  
**31st March 2015**  
**(Amount in ₹ Lacs)**

**Note : 2**

**Share Capital**

**Authorised :**

31000000 (21000000) Equity Shares of Rs.10/- each 3100 2100

**Issued, Subscribed And Paid up :**

29843865 (19895910) Equity Shares of Rs.10/- each fully paid up 2985 1990

**TOTAL** 2985 1990

**2.1** The company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.

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

	<b>As at 31st March 2016</b>		<b>As at 31st March 2015</b>	
	<b>Number of shares</b>	<b>(Amount in ₹ Lacs)</b>	<b>Number of shares</b>	<b>(Amount in ₹ Lacs)</b>
Equity Shares of Rs.10/- each fully paid up:-				
Opening Balance	<b>19895910</b>	<b>1990</b>	6631970	663
Bonus Issue	<b>9947955</b>	<b>995</b>	13263940	1327
Closing Balance	<b>29843865</b>	<b>2985</b>	19895910	1990

**2.3 Details of shares held by shareholders holding more than 5% shares**

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

**As at**  
**31st March 2016**  
**(Amount in ₹ Lacs)**

**As at**  
**31st March 2015**  
**(Amount in ₹ Lacs)**

**Note : 3**

**Reserves and Surplus**

**(a) Preference Shares Redemption Reserve**

As per last Balance Sheet	<b>0</b>	<b>3</b>
Less : Utilised during the year for issue of Bonus Shares	<b>0</b>	<b>3</b>
Closing balance	<u><b>0</b></u>	<u><b>0</b></u>

**(b) General Reserve**

As per last Balance Sheet	<b>35078</b>	<b>35908</b>
Add : Transferred from Statement of Profit & Loss	<b>515</b>	<b>493</b>
Less : Utilised during the year for issue of Bonus Shares	<b>995</b>	<b>1323</b>
Closing balance	<u><b>34598</b></u>	<u><b>35078</b></u>

	<b>As at 31st March 2016 (Amount in ₹ Lacs)</b>	<b>As at 31st March 2015 (Amount in ₹ Lacs)</b>
<b>(c) Statement of Profit &amp; Loss - As per account annexed</b>		
As per last Balance Sheet	37087	34409
Add : Profit for the year	<u>5145</u>	<u>4931</u>
	<b>42232</b>	<b>39340</b>
Less-Appropriations		
Transfer to General Reserve	515	493
Interim Dividend Paid	895	0
Tax on Interim Dividend Paid	182	0
Proposed Dividend on Equity Shares	0	1293
Provision for Tax on Proposed Dividend	0	259
Adjustment related to Fixed Assets	<u>0</u>	<u>208</u>
Closing balance	<u>40640</u>	<u>37087</u>
<b>TOTAL</b>	<b><u>75238</u></b>	<b><u>72165</u></b>

**Note : 4**

**Deferred Tax Liabilities (Net)**

**Deferred Tax Liabilities**

Arising Due to Difference between Written Down Value of Fixed Assets as per the Books of Accounts and Income tax Act, 1961

	0	41
<b>TOTAL</b>	<b><u>0</u></b>	<b><u>41</u></b>

**Note : 5**

**Short Term Borrowings**

**5 (a) Secured:**

Overdraft against fixed deposit receipts from Nationalised Banks  
Cash Credit Limits from Nationalised Banks  
Export Packing Credit Limits from Nationalised Banks

	4735	11024
	0	94
	<u>0</u>	<u>1004</u>
<b>TOTAL</b>	<b><u>4735</u></b>	<b><u>12122</u></b>

**5(a)(i) Description of the Security Given:**

During the year the Company has formally entered into consortium banking arrangement with nine banks. Allahabad Bank is the lead bank of the consortium. As a result all the securities given under the multiple banking arrangement have now been transferred to the lead bank of the consortium (Allahabad bank).

**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 paripassu basis):

- Property at Noida owned by the Company itself.
- 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 of Term Deposit of Rs.2203/- lacs

III. Lien of Mutual Funds of Rs.1715/- lacs

IV. Lien of Term Deposit of Rs.195/- 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.

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

	<b>As at 31st March 2016 (Amount in ₹ Lacs)</b>	<b>As at 31st March 2015 (Amount in ₹ Lacs)</b>
<b>5(b) Unsecured:</b>		
<b>Loans and Advances from Related Parties</b>		
From Directors	50	183
<b>From Others</b>		
Car Loan	<u>163</u>	<u>0</u>
<b>TOTAL</b>	<u>213</u>	<u>183</u>
<b>GRAND TOTAL</b>	<u>4948</u>	<u>12305</u>

**Note : 6**

**Trade Payables**

Trade Payables (including acceptances)	<u>239243</u>	<u>222615</u>
<b>TOTAL</b>	<u>239243</u>	<u>222615</u>

**Note : 7**

**Other Current Liabilities**

Advance Against Orders	29000	68670
Due to Directors	7	4
Unpaid/ Unclaimed Dividend	33	20
Security Deposit Accepted Against Lease Agreement	205	205
Statutory Liabilities	42	34
Outstanding Liabilities	<u>1015</u>	<u>537</u>
<b>TOTAL</b>	<u>30302</u>	<u>69470</u>

**Note : 8**

**Short Term Provisions**

Provision for Taxation	7247	7820
Proposed Dividend	0	1293
Tax on Proposed Dividend	<u>0</u>	<u>259</u>
<b>TOTAL</b>	<u>7247</u>	<u>9372</u>

**NOTE : 9**  
**Fixed Assets**

(Amount in ₹ Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.15	Additions	Transfer	As at 31.03.16	Up To 31.03.15	For the Adjustment year	Up To 31.03.16	As at 31.03.16	As at 31.03.15	
<b>Tangible Assets</b>										
Freehold Land	251	0	0	251	251	0	0	251	0	
Leasehold Land*	510	0	0	510	0	0	0	510	510	
Building (Office)	273	0	0	273	143	9	0	152	121	
Building Noida	980	0	0	980	47	15	0	62	918	
Motor Cars/Scooter	1018	330	84	1264	507	132	33	606	658	
Computers	26	3	0	29	22	2	0	24	5	
Office Equipment	129	4	0	133	120	3	0	123	10	
Temporary Structure	77	0	0	77	77	0	0	77	0	
Furniture & Fixture	37	0	0	37	24	3	0	27	10	
Building(Godown)	297	0	0	297	10	5	0	15	282	
<b>TOTAL</b>	3598	337	84	3851	1201	169	33	1337	2514	
Previous Year	3443	292	137	3598	925	166	-110	1201	2397	

\*Land allotted by New Okhla Industrial Development Area, Ghaziabad for 99 years as per Lease Deed dated 22nd February, 1985

Quantity (Nos.)		(Amount in ₹ Lacs)	
As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015

**NOTE : 10**

**Non Current Investments**

**A. Quoted - Non Trade**

**I. Equity Shares, Each, Fully Paid-up**

Agro Tech Foods Ltd. of Rs.10/-	12000	12000	67	67
Alok Industries Ltd. of Rs.10/-	20000	20000	2	2
Alstom India Ltd of Rs.10/-	38005	38005	281	281
Bajaj Corp Ltd. of Re.1/-	23944	23944	65	65
Bajaj Finance Limited of Rs.10/-	600	600	7	7
Camson Biotechnologies Ltd of Rs.10/-	10000	10000	6	6
Camson Seeds Ltd of Rs.10/-	10000	0	0	0
Cummins India Ltd of Rs.2/-	29894	29894	0	0
IDFC Limited of Rs.10/-	94500	94500	100	165
IDFC Bank Limited of Rs.10/-	94500	0	65	0
Jammu & Kashmir Bank Ltd. of Re.1/-	22500	22500	31	31
J M Financial Ltd. of Re.1/-	7500	7500	3	3
Jyothy Laboratories Ltd of Re.1/-	14000	14000	24	24
Lanco Infratech Ltd. of Re.1/-	55000	55000	4	4
Larsen & Toubro Ltd. of Rs.2/-	2000	2000	30	30
Man Industries (India) Ltd. of Rs.5/-	5000	5000	4	4
Marico Ltd of Re.1/-	110000	60500	124	136
Kaya Ltd. of Rs.10/-	1210	1210	0	0
Motherson Sumi Systems Ltd of Re.1/-	3000	2000	2	2

**NOTE : 10 CONTINUED**

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Nakoda Limited of Rs.5/-	20000	20000	2	2
Omaxe Ltd. of Rs.10/-	3000	3000	5	5
Rallis India Ltd of Re.1/-	30000	30000	46	46
Reliance Industries Ltd. of Rs.10/-	25500	25500	225	225
Stampede Capital Limited of Rs.10/-	0	95000	0	83
Stampede Capital Limited of Re.1/-	600000	0	53	0
State Bank of India of Re.1/-	150	150	0	0
Dhanlaxmi Bank Limited of Rs.10/-	215000	215000	359	359
Karur Vysya Bank Ltd. of Rs. 10/-	45000	45000	143	143
Tata Steel Ltd. Of Rs.10/-	8500	0	23	0
Triveni Turbine Ltd. of Re.1/-	12500	12500	7	7
Uflex Ltd. of Rs. 10/-	492056	492056	498	498
Usha Martin Ltd. of Re.1/-	10000	10000	4	4
Whirlpool of India Ltd. of Rs.10/-	96000	96000	299	299
Zylog Systems Ltd. of Rs.5/-	90000	90000	252	252
<b>Aggregate Cost</b>	<b>TOTAL (A)</b>		<b>2731</b>	<b>2750</b>
<b>Aggregate Market Value</b>			<b>3500</b>	<b>3363</b>

**B. Unquoted**

**I. Non-trade**

(a) Capital Contribution in India Growth Fund			240	320
(b) Application Money for Shares			2156	2936

**II. Trade**

**(a) Investments in Equity Shares of wholly owned subsidiary Companies, each Fully paid up**

M.K. Web Tech Private Ltd. of Rs. 10/-	250000	250000	190	190
Kpl Exports Private Ltd. of Rs. 10/-	6000000	2000000	10500	100
Sukhdham Constructions & Developers Limited of Rs.10/-	100000	100000	10	10

**(b) Investments in Equity Shares of other subsidiary Companies, each Fully paid up**

Blackplinth Realtors Pvt Ltd of Rs.10/-	27000	27000	3	3
Riverview Land Developers Pvt Ltd of Rs.10/-	90000	90000	9	9
Savitrimata Realtors Pvt. Ltd. Class B Shares of Rs. 10/-	25500	25500	107	107
Kothari Products Singapore Pte. Ltd. of SGD1/-	10000000	10000000	3746	3746

**(c) Investments in Equity Shares of other Companies, each Fully paid up**

Hara Parvati Realtors Pvt. Ltd. of Rs. 10/-	25000	12750	1624	1
Real Griha Nirman Private Ltd. of Rs.10/-	10000	10000	1	1
Shubhadra Realtors Private Ltd. of Rs.10/-	10000	10000	1	1
Sankhya Realtors Private Ltd. of Rs.10/-	10000	10000	1	1
SPPL Hotels Private Ltd. of Rs.10/-	250000	127500	478	13
Sattva Realtors Pvt Ltd of Rs.10/-	12500	12500	1	1
Neelanchal Con-tech Private Limited of Rs.10/-	10000	10000	1	1

**NOTE : 10 CONTINUED**

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>(d) Investment in Preference Shares of other companies, each fully paid-up of Rs.10/- each</b>				
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1621271	1621271	2770	2770
0.001% Non Cumulative Compulsorily Convertible Preference Shares of SPPL Hotels Pvt. Ltd.	1557692	0	1480	0
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of Hara Parvati Realtors Pvt. Ltd.	849233	849233	591	591
0.001% Non Cumulative Compulsorily Convertible Preference Shares of Hara Parvati Realtors Pvt. Ltd.	815929	0	1477	0
<b>(e) Investments in Debentures of other subsidiary Companies</b>				
1% Redeemable Non Convertible Debentures of Savitrimata Realtors Private Limited	255000	241800	2550	2418
<b>(f) Others</b>				
National Savings Certificate (Deposited with Commercial Tax)			0	0
1% Unsecured Non Convertible Debentures of Real Griha Nirman Private Limited	30000	30000	300	300
1% Optionally Convertible Debentures of Neelanchal Con-tech Private Limited	12000	12000	1200	1200
<b>C. Investment in immovable property</b>			251	251
<b>TOTAL (B)</b>			29687	14970
<b>TOTAL (A+B)</b>			32418	17720
		<b>As at 31st March 2016 (Amount in ₹ Lacs)</b>		<b>As at 31st March 2015 (Amount in ₹ Lacs)</b>

**Note : 11**

**Deferred Tax Assets (Net)**

**Deferred Tax Assets**

Arising Due to Difference between Written Down Value of Fixed Assets as per the Books of Accounts and Income tax Act, 1961

	42	0
<b>TOTAL</b>	42	0

**Note : 12**

**Long Term Loans and Advances (Unsecured, Considered Good)**

(a) Security Deposits	11	8
(b) Loans & Advances to related parties		
(i) Loans to Associate Companies/Enterprises over which KMP are able to exercise significant influence	2827	3306
(ii) Loans to Subsidiaries:-		
- Sukhdham Construction & Developers Ltd.	5	663
- Savitrimata Realtors Pvt. Ltd.	53	174
- Riverview Land Developers Pvt. Ltd.	0	1506
- M.K. Web Tech Pvt. Ltd.	0	209
- Blackplinth Realtors Pvt. Ltd.	142	2298
(c) Other Loans & Advances		
- Advances for Properties	67	67
- Loans to Others	2520	2143
<b>TOTAL</b>	5625	10374

	Quantity (Nos.)		Amount in ₹ Lacs	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>Note : 13</b>				
<b>Current Investments</b>				
<b>(A) Mutual Funds (units, each, fully paid up)</b>				
HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Weekly Dividend of Rs.10/-	0.000	151182.402	0	15
Reliance Money Manager Fund-Growth Plan Growth Option of Rs.1000/-	52060.260	0.000	1070	0
SBI Magnum Income Fund-Regular Plan-Growth of Rs.10/-**	5617959.124	5617959.124	1715	1715
BOI AXA Capital Protection Oriented Fund- Series 2 of Rs.10/-	999990.000	999990.000	100	100
<b>Aggregate Cost</b>			<b>2885</b>	1830
Less: Provision for diminution in value			0	0
	(A)		<b>2885</b>	1830
<b>Aggregate Market Value</b>			<b>3193</b>	2018
<b>(B) Fixed Deposit Accounts (Including interest accrued but not due) **</b>	(B)		<b>100887</b>	137475
	(A)+(B)		<b>103772</b>	139305

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

	As at 31st March 2016 (Amount in ₹ Lacs)	As at 31st March 2015 (Amount in ₹ Lacs)
--	--	--

**Note : 14**

**Inventories**

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

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

**Note : 15**

**Trade Receivables (Unsecured Considered good)**

(a) Debts outstanding for over six months	9636	5917
(b) Other receivables	169426	174936
<b>TOTAL</b>	<b>179062</b>	180853

**Note : 16**

**Cash & Cash Equivalent**

**Cash & Bank Balances:**

(a) Cash in hand	36	87
(b) Cheques in hand	0	2400
(c) Balances with Scheduled Banks		
(i) In Current Accounts & E E F C Accounts	4871	791
(ii) In Unclaimed Dividend accounts	33	20
(iii) In Fixed Deposit Accounts (Including interest accrued but not due)	129	515
<b>TOTAL</b>	<b>5069</b>	3813

	<b>As at 31st March 2016 (Amount in ₹ Lacs)</b>	<b>As at 31st March 2015 (Amount in ₹ Lacs)</b>
<b>Note : 17</b>		
<b>Short Term Loans and Advances (Unsecured Considered Good)</b>		
<b>Loans &amp; Advances to related parties</b>		
Due from KPL Exports Pvt. Ltd., A Wholly Owned Subsidiary	13793	14743
Advance Income Tax and Tax Deducted at Source	8055	9119
<b>Other Loans &amp; Advances</b>		
-Advance recoverable in cash or in kind or for value to be received or pending adjustments	1988	2821
<b>TOTAL</b>	<u>23836</u>	<u>26683</u>

	<b>Year Ended 31st March 2016 (Amount in ₹ Lacs)</b>	<b>Year Ended 31st March 2015 (Amount in ₹ Lacs)</b>
--	--	--

<b>Note : 18</b>		
<b>Revenue from Operations</b>		
(a) Sales of Traded Goods	452545	452163
(b) Other Operating Revenues		
(i) Interest Earned on Bank Deposits held for Business Purposes & others	10858	11857
(ii) Rental Income	397	397
(iii) Miscellaneous Income	359	399
<b>TOTAL</b>	<u>464159</u>	<u>464816</u>

<b>Note : 19</b>		
<b>Other Income</b>		
(a) Dividend Income (Gross)	50	38
(b) Interest on Loans to Subsidiaries	284	1077
(c) Interest on Other Loans & Advances	563	562
(d) Profit on Sale of Investments	198	97
<b>TOTAL</b>	<u>1095</u>	<u>1774</u>

<b>Note : 20</b>		
<b>Purchases of Stock-in-trade</b>		
Purchases of Traded Goods	448063	442118
<b>TOTAL</b>	<u>448063</u>	<u>442118</u>

<b>Note : 21</b>		
<b>Increase (-) / Decrease (+) in Inventories of Stock-in-trade</b>		
<b>Opening Stock :</b>		
Trading Items	1670	2861
Real Estate (Work-in-progress)	5143	5051
Real Estate (Constructed Premises)	0	0
	<u>6813</u>	<u>7912</u>
<b>Closing Stock :</b>		
Trading Items	2306	1670
Real Estate (Work-in-progress)	3932	5143
Real Estate (Constructed Premises)	1387	0
	<u>7625</u>	<u>6813</u>
	<u>-811</u>	<u>1099</u>

**Year Ended**  
**31st March 2016**  
**(Amount in ₹ Lacs)**

Year Ended  
31st March 2015  
(Amount in ₹ Lacs)

**Note : 22**

**Employee Benefit Expenses**

Salaries, Wages and Bonus	114	115
Contribution to Provident and other Funds	8	7
Gratuity	0	6
Staff welfare and Other Expenses	81	76
<b>TOTAL</b>	<u>203</u>	<u>204</u>

**Note : 23**

**Finance Cost**

Interest Cost	2699	1461
<b>TOTAL</b>	<u>2699</u>	<u>1461</u>

**Note : 24**

**Other Expenses**

Electricity Expenses	60	65
Bank Charges	2118	1951
General Insurance	21	16
Transit Insurance	0	3
Rent	153	143
Rates & Taxes	1	1
Loss on Foreign Currency Transactions and Translation	2862	9013
Repairs :		
Building	45	33
Others	37	38
Selling & Distribution Expenses	704	32
Travelling & Conveyance	130	136
Miscellaneous Expenses	374	2156
Corporate Social Responsibility Expenses	152	152
Loss on Sale of Fixed Assets	3	3
Payment to Auditors :		
Statutory Audit Fee	3	2
Tax Audit Fee	1	1
Directors' Remuneration	20	20
Directors' Commission	467	440
Directors' Sitting Fee	0	0
<b>TOTAL</b>	<u>7151</u>	<u>14205</u>

	<b>As at 31st March 2016 (Amount in ₹ Lacs)</b>	<b>As at 31st March 2015 (Amount in ₹ Lacs)</b>
<b>Note : 25</b>		
<b>Contingent Liabilities :</b>		
<b>25.1</b> Corporate Guarantees issued by the Company to certain banks on behalf of one of its subsidiary	<b>39235</b>	31423
	<b>(USD 59.15 Million)</b>	(USD 49.5 Million)
<b>25.2</b> Corporate Guarantees issued by the Company to Nationalised banks on behalf of associate companies	<b>38300</b>	26000
<b>25.3</b> Corporate Guarantees issued by the Company to Nationalised banks on behalf of one of its wholly owned subsidiary	<b>42500</b>	42500
<b>25.4</b> Other Corporate Guarantee issued by the Company to a Nationalised bank	<b>NIL</b>	3000
	<b>Year Ended 31st March 2016 (Amount in ₹ Lacs)</b>	<b>Year Ended 31st March 2015 (Amount in ₹ Lacs)</b>
<b>Note : 26</b>		
<b>Value of Imports (C.I.F. Basis)</b>		
Stock-in-trade	<b>447073</b>	427583
<b>Note : 27</b>		
<b>Expenditure in Foreign Currency</b>		
Travelling Expenses	<b>8</b>	7
Import of Goods- Trading Items	<b>447073</b>	427583
Export Commission	<b>727</b>	0
<b>Note : 28</b>		
<b>Earning in Foreign Currency</b>		
Export of goods on F.O.B. Basis	<b>393886</b>	436847
<b>Note : 29</b>		
<b>Payment to Auditors</b>		
(a) As Auditors	<b>3</b>	2
(b) For Tax Audit	<b>1</b>	1
<b>Note: 30</b>		
<b>Segment Information (Information about Business Segments) :</b>		
<b>30.1. The Company operates in two business segments-</b>		
(a) Trading Items		
(b) Real estate etc		
<b>30.2. Segment Information are as under-</b>		
<b>(A) Segment Revenue (Net Sales/ Income)</b>		
(a) Trading Items	<b>463872</b>	465236
(b) Real Estate etc.	<b>1382</b>	1351
	<b>465254</b>	466587
<b>(B) Segment Results [Profit(+)/ Loss(-) Before Tax]</b>		
(a) Trading Items	<b>9510</b>	8007
(b) Real Estate etc.	<b>969</b>	791
Net Profit Before Interest	<b>10479</b>	8798
(c) Interest Expenses	<b>2699</b>	1461
(d) Unallocated Expenses	<b>0</b>	0
Net Profit Before tax	<b>7780</b>	7337



	As at 31.03.2016	As at 31.03.2015
<b>(C) Capital Employed (Segment Assets - Segment Liabilities) (Amount in ₹ Lacs)</b>		(Amount in ₹ Lacs)
(a) Trading Items	50487	42659
(b) Real Estate etc.	27736	31496
(Capital employed is net of inter-segmental transfer)		
	78223	74155

**Note:31**

Related Party Disclosures in accordance with the Accounting Standards (AS-18) 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India 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 | (d) Smt. Arti Kothari  | (g) Smt. Urvi Kothari                              |
| (b) Shri Mitesh Kothari - Executive Director           | (e) Smt. Reeta Shah    | (h) Shri Raj Kumar Gupta- C S & Compliance Officer |
| (c) Smt. Hemani Gowani                                 | (f) Mitesh Kothari HUF | (i) Shri Anurag Tandon- CFO                        |

**(B) Associate Companies:**

- Hara Parvati Realtors Pvt. Ltd.
- Real Griha Nirman Private Ltd.
- Shubhadra Realtors Private Ltd.
- Sankhya Realtors Private Ltd.
- SPPL Hotels Private Ltd.
- Sattva Realtors Pvt Ltd
- Neelanchal Con-tech Private Limited

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

- |   |   |  |
|---|---|--|
| -ARA India LLP                            | -Fobos Properties Pvt. Ltd.                       | -Salarpuria Consultants Pvt. Ltd.              |
| -Aangan Properties Pvt. Ltd.              | -H & M Housing Finance & Leasing Pvt. Ltd.        | -Salarpuria Profin Pvt. Ltd.                   |
| -Aastitva Builders & Developers Pvt. Ltd. | -IMK Agro Developers Pvt. Ltd.                    | -Saphire Housing Pvt. Ltd.                     |
| -Aman Leasing & Housing Finance Pvt. Ltd. | -IMK Agro- Tech Properties Pvt. Ltd.              | -Scaffold Properties Pvt. Ltd.                 |
| -Aman Overseas Pvt. Ltd.                  | -IMK Developers Pvt. Ltd.                         | -Sequence Properties Pvt. Ltd.                 |
| -Aman Spices Pvt. Ltd.                    | -IMK Hospitality Pvt. Ltd.                        | -Sharda Mansukhlal Kothari Charitable Trust    |
| -Ambakeshwar Realtors Pvt. Ltd.           | -Kothari Detergents Limited                       | -Shilpi Property Developers (Bombay) Pvt. Ltd. |
| -Arti Properties Pvt. Ltd.                | -Kothari World Infrastructure Pvt. Ltd.           | -Sky King Realtors LLP                         |
| -Arti Web- Developers Pvt. Ltd.           | -Kripalu Infratech & Builders Pvt. Ltd.           | -Splint Realtors LLP                           |
| -BKC Properties Pvt. Ltd.                 | -Lohewala Construction Pvt. Limited               | -Super King Realtors LLP                       |
| -Black Plinth Developers LLP              | -Mataji Developers Pvt. Ltd.                      | -Supraja Properties Pvt. Ltd.                  |
| -Blue Berry Trading Company Pvt. Ltd.     | -MK Profinlease Pvt. Ltd.                         | -Synergy School Systems Pvt. Ltd.              |
| -Camelia Griha Nirman Pvt. Ltd.           | -Monotype Griha Nirman Pvt. Ltd.                  | -Titania Technology Pvt. Ltd.                  |
| -Clastic Rock Realtors Pvt. Ltd.          | -MSR Properties Pvt. Ltd.                         | -Township Real Estate Developers (I) Pvt. Ltd. |
| -Dham Securities Pvt. Limited             | -Orbus Property Pvt. Ltd.                         | -Vaishnodevi Realtors Pvt. Ltd.                |
| -DK Web-Tech Pvt. Ltd.                    | -Pandeeep Technologies & Infrastructure Pvt. Ltd. | -Venkatesh Griha Nirman Pvt. Ltd.              |
| -DMK Holdings Pvt. Ltd.                   | -Pan Parag India Limited                          | -Warasgaon Lake View Hotels Ltd.               |
| -Ekta Flavours Pvt. Limited               | -Parmy Manufactory Pvt. Ltd.                      | -White Plinth Realtors LLP                     |
| -Eveready Housing LLP                     | -Raj Power Parts and Engineering Co Pvt Ltd       | -Yoga Builders Pvt. Ltd.                       |

**(D) Subsidiary Companies :**

**(I) Direct Subsidiaries:**

- (a) Sukhdham Constructions & Developers Limited
- (b) MK Web-Tech Pvt. Limited
- (c) KPL Exports Pvt. Limited
- (d) Kothari Products Singapore Pte. Limited
- (e) Savitrimata Realtors Pvt. Limited
- (f) Blackplinth Realtors Pvt Ltd
- (g) Riverview Land Developers Pvt Ltd

**(II) Indirect Subsidiary:**

- Pinehills (Singapore) Pte Ltd., Singapore, a wholly owned subsidiary of Kothari Products Singapore Pte Limited

**(ii) Summary of Transactions:**

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	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Directors'/KMP Remuneration etc.	518	491	-	-	-	-
On Account of Expenses	16	13	66	62	90	100
On Account of Interest on Loan Taken	110	19	-	-	-	-
On Account of Income - Rent	-	-	12	12	1	1
Interest Income on Loan Given	-	-	350	341	284	1077
Interest Received on Debentures	-	-	15	15	25	12
Investment in Shares During the year	-	-	5045	312	10400	-
Investment in Debentures During the year	-	-	-	-	132	2418
Dividend Paid	1399	763	242	132	-	-
Corporate Guarantees issued and outstanding as on date	-	-	38300	26000	81735	73923
Outstanding (Payable)	57	187	-	-	-	-
Outstanding (Receivable)	-	-	2827	3306	13993	19593

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

2015-16  
(Amount in ₹ Lacs)

2014-15  
(Amount in ₹ Lacs)

**Note : 32**  
**Earning Per Share**

(a) Profit after tax (Profit attributable to Equity Shareholders)	5145	4931
(b) Weighted average nos. of Equity Shares (Pre-Bonus) for Basic / Diluted EPS	19895910	19895910
(c) Nominal Value of Equity Share (in Rs.)	10.00	10.00
(d) Basic and Diluted Earning per Equity Share (in Rs.) (Pre-Bonus)	25.86	24.79
(e) Weighted average nos. of Equity Shares (Post Bonus) for Basic / Diluted EPS	29843865	29843865
(f) Basic and Diluted Earning per Equity Share (in Rs.) (Post Bonus)	17.24	16.52

Earning Per Share (EPS) of the Company has been calculated on 29843865 Equity Shares Post Bonus Issue. The EPS for the previous year has also been restated accordingly.

**Note : 33**

- (a) The deferred tax liability amounting to Rs.NIL (Previous year Rs.42 lacs) is on account of time difference of Depreciation which is capable of being reversed in one or more subsequent years. The deferred tax liability amounting to Rs.42 lacs (Previous year Rs.66 Lacs ) has been reversed during the year.
- (b) During the year the deferred tax asset amounting to Rs.42 lacs ( Previous year Rs. NIL) is on account of time difference of Depreciation which is capable of being reversed in one or more subsequent years. The deferred tax asset amounting to Rs.42 lacs (Previous year Rs.Nil) has been created during the year.

**Note : 34**

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

(Figures in Lacs)

Particulars of Derivatives	Derivative Contracts	31.03.2016		31.03.2015		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	1578	104673	2030	128875	Hedge of Export and other Receivables
Buy	USD/INR	1184	78511	2816	178730	Hedge of Import and other Payables

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

(Figures in Lacs)

Particulars	Currency	31.03.2016		31.03.2015	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	930	61681	660	41927
Import and other Payables	USD	2782	184544	1739	110404

**Note : 35**

**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 rent receivable under non-cancelable operating lease are as under:-

	As on 31.03.2016	As on 31.03.2015
Not later than one year	384	384
Later than one year and not later than five year	70	454
Later than five year	0	0

**Note : 36**

The Company allotted 9947955 Equity shares of Rs. 10/- each as Bonus Shares on 7th January, 2016 in the ratio of 1 Bonus Share for every 2 existing shares held by the members as on 6th January, 2016. Consequently the paid-up equity share capital of the company has increased from Rs.1990 lacs to Rs.2985 lacs w.e.f. 7th January, 2016.

**Note : 37**

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 : 38**

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

**Note : 39**

In terms of Accounting Standard 28 "Impairment of Assets" Issued by the Institute of Chartered Accountants of India, provision for impairment loss on assets for the year is not required.

**Note : 40**

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 : 20th May, 2016

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

<b>PARTICULARS</b>	<b>Year Ended</b>		<b>(Amount in ₹ Lacs)</b>	
	<b>31st March, 2016</b>		<b>Year Ended</b>	
			<b>31st March, 2015</b>	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit before Tax		<b>7780</b>		7337
Adjustments for:				
- Depreciation	169		166	
- Finance Cost	2699		1461	
- Net Unrealised Forex Gain (-) / Loss	489		2965	
- Profit (-) / Loss on Sale of Assets	3		3	
- Net Profit on Sale of Investments	-198		-99	
- Interest Income	-847		-1639	
- Dividend Income	-50	<b>2265</b>	-38	2819
<b>Operating Profit before Working Capital Changes</b>		<b>10045</b>		10156
Adjustments for:				
- Trade Receivables & Others	-38473		-31489	
- Inventories	-811		1099	
- Trade Payables & Others	18053	<b>-21231</b>	36289	5899
<b>Cash Generated from Operations</b>		<b>-11186</b>		16055
Net Income Tax Paid		<b>-2229</b>		-2532
<b>Net Cash Flow from Operating Activities</b>		<b>-13415</b>		13523
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>				
- Purchase of Fixed Assets	-337		-292	
- Sale of Fixed Assets	48		35	
- Purchase of Investments- Others	-8957		-16738	
- Purchase of Investments- Subsidiary	-10400		0	
- Sale of Investments-Others	40521		8780	
- Loans to Subsidiary Companies (Net)	5469		-7316	
- Loans to Associate Companies (Net)	479		-279	
- Loans to Others	-378		-48	
- Interest Received	847		1639	
- Dividend Received	50	<b>27342</b>	38	-14181
<b>Net Cash flow from/(used in) Investing Activities</b>		<b>27342</b>		-14181
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>				
- Secured Loans from Banks	-7386		836	
- Unsecured Loan	30		159	
- Dividend Paid	-2175		-1193	
- Tax on Dividend Paid	-441		-203	
- Finance Cost	-2699	<b>-12671</b>	-1461	-1862
<b>Net Cash flow from/(used in) Financing Activities</b>		<b>-12671</b>		-1862
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>		<b>1256</b>		-2520
Cash & Cash Equivalents - Opening Balance		<b>3813</b>		6333
Cash & Cash Equivalents - Closing Balance		<b>5069</b>		3813

**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 : 20th May, 2016

(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, 2016, 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 Accounting Standards 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 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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 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 financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, 2016, 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 financial statements whose financial statements reflect the total assets (net) of Rs.45945 lacs as at 31st March, 2016, total revenue (net) of Rs.109032 lacs and cash flows (net) amounting to Rs.1239 lacs for the year ended on that date, as considered in the consolidated 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 financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 financial statements.
  - d) In our opinion, the aforesaid consolidated 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, 2016 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, 2016 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 : 20th May, 2016

## **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 financial statements of Kothari Products Limited (hereinafter referred to as the Holding Company/the Company) as of and for the year ended March 31st, 2016, 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 31st, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 7 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

(Vivek Kumar)  
PARTNER  
Membership No. 408227

Place : Kanpur  
Date : 20th May, 2016



**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016**

PARTICULARS	NOTE	As at 31st March 2016 (Amount in ₹ Lacs)	As at 31st March 2015 (Amount in ₹ Lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareowners' Funds</b>			
(a) Share capital	2	2985	1990
(b) Reserves and surplus	3	90221	84015
Minorities interest		2	2
<b>(2) Non-Current Liabilities</b>			
(a) Long term borrowings	4	7334	7259
(b) Deferred tax liabilities (Net)	5	30	59
<b>(3) Current Liabilities</b>			
(a) Short term borrowings	6	31406	19213
(b) Trade payables	7	316583	300612
(c) Other current liabilities	8	31014	98068
(d) Short term Provisions	9	9738	11682
<b>TOTAL</b>		<b>489313</b>	<b>522900</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed assets			
- Tangible assets	10	5753	5720
(b) Goodwill on Consolidation		219	219
(c) Non-current investments	11	18107	13941
(d) Deferred tax assets (Net)	12	42	0
(e) Long term loans and advances	13	6341	6452
<b>(2) Current Assets</b>			
(a) Current Investments	14	164830	191796
(b) Inventories	15	21282	19896
(c) Trade receivables	16	236402	251456
(d) Cash and cash equivalents	17	14838	8172
(e) Short term loans and advances	18	21499	25248
<b>TOTAL</b>		<b>489313</b>	<b>522900</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes are an integral part of the financial statements</b>	2-41		

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 : 20th May, 2016

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2016**

	NOTE	Year Ended 31st March 2016 (Amount in ₹ Lacs)	Year Ended 31st March 2015 (Amount in ₹ Lacs)
<b>I. REVENUE FROM OPERATIONS :</b>			
Revenue From Operations	19	686427	663440
Other Income	20	810	914
<b>Total Revenue</b>		<b>687237</b>	<b>664354</b>
<b>II. EXPENSES :</b>			
Purchases of Stock-in-Trade	21	660179	631907
Increase (-) / Decrease (+) in Inventories of Stock-in-trade	22	-977	713
Employee benefit expenses	23	532	499
Finance cost	24	4731	3009
Depreciation and amortization expense	10	261	236
Other expenses	25	11004	17073
<b>Total Expenses</b>		<b>675730</b>	<b>653437</b>
<b>III. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>		<b>11507</b>	<b>10917</b>
(There is no discontinuing operation)			
<b>IV. Less : Tax expenses :</b>			
1) Current tax		3661	3546
2) Deferred tax		-71	-37
3) Provision of income tax for earlier year (Net)		93	-27
<b>V. PROFIT FOR THE YEAR :</b>		<b>7824</b>	<b>7435</b>
Less: Minorities interest		0	0
<b>VI. PROFIT FOR THE YEAR AFTER MINORITIES INTEREST</b>		<b>7824</b>	<b>7435</b>
<b>VII. BASIC &amp; DILUTED EARNING PER SHARE (IN RS.) :</b>			
(a) Basic (Refer Note No. 30)		26.21	24.91
(b) Diluted (Refer Note No. 30)		26.21	24.91
<b>Significant Accounting Policies</b>	1		
<b>Notes are an integral part of the financial statements</b>	2-41		

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 : 20th May, 2016

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## Notes to Consolidated Financial Statements

### Note:1 SIGNIFICANT ACCOUNTING POLICIES

#### 1.1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

##### A. BASIS:

The consolidated financial statements are prepared in accordance with Accounting Standard (AS)-21- 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India. 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 Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 2013.

##### C. USE OF ESTIMATES :

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) 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.

#### 1.2. FIXED ASSETS AND DEPRECIATION:

All fixed assets 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.

#### 1.3. 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 Expenses.
- (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.

#### 1.4. INVENTORIES :

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

#### 1.5. INVESTMENTS :

Investments are stated at cost less fall in their market value, if considered permanent.

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

#### 1.6. 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.

**1.7. 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.

**1.8. EMPLOYEE RETIREMENT BENEFITS:**

- a. Company's contribution to Employees' Provident Fund is charged to the 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 the Statement of Profit and Loss.

**1.9. PROVISION 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.

**1.10. 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.

**1.11. 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.

**1.12. 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.

**1.13. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprises cash on hand, cash in bank, fixed deposits and other short term highly liquid investments with an original maturity of three months or less that are readily convertible into known amount of cash and which are subject to an insignificant risk of change in value.

**1.14. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method whereby cash flows from operating, investing and financing activities of the Company are segregated and profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

**1.15. 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.

**1.16. 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.

**NOTES CONTINUED**

**(CONSOLIDATED)**

	<b>As at 31st March 2016 (Amount in ₹ Lacs)</b>	<b>As at 31st March 2015 (Amount in ₹ Lacs)</b>
<b>Note : 2</b>		
<b>Share Capital</b>		
<b>Authorised :</b>		
31000000 (21000000) Equity Shares of Rs.10/- each	<u>3100</u>	<u>2100</u>
<b>Issued, Subscribed And Paid Up :</b>		
29843865 (19895910) Equity Shares of Rs.10/- each fully paid up	<u>2985</u>	<u>1990</u>
<b>TOTAL</b>	<u><b>2985</b></u>	<u><b>1990</b></u>

**2.1** The company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.

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

	<b>As at 31st March, 2016</b>		<b>As at 31st March, 2015</b>	
	<b>Number (Amount in of shares ₹ Lacs) held</b>	<b>Number (Amount in of shares ₹ Lacs) held</b>	<b>Number (Amount in of shares ₹ Lacs) held</b>	<b>Number (Amount in of shares ₹ Lacs) held</b>
Equity Share of Rs.10/- each fully paid up:-				
Opening Balance	<u>19895910</u>	<u>1990</u>	6631970	663
Bonus Issue	<u>9947955</u>	<u>995</u>	13263940	1327
Closing Balance	<u><b>29843865</b></u>	<u><b>2985</b></u>	<u>19895910</u>	<u>1990</u>

**2.3 Details of shares held by shareholders holding more than 5% shares**

<b>Class of shares/Name of shareholders</b>	<b>Number of shares held</b>	<b>holding %</b>	<b>Number of shares held</b>	<b>holding %</b>
Equity Shares of Rs.10/- each fully paid up:-				
a) Mrs. Arti D Kothari	<b>0</b>	<b>0.00%</b>	1895316	9.53%
b) Mr. Deepak Kothari jointly with Mrs. Arti D Kothari	<b>16576596</b>	<b>55.54%</b>	9155748	46.02%
c) Mitesh Kothari (HUF)	<b>1828098</b>	<b>6.13%</b>	1218732	6.13%
d) Dham Securities Pvt Ltd	<b>3299998</b>	<b>11.06%</b>	2199999	11.06%
e) Magnus Properties Pvt Ltd	<b>1690114</b>	<b>5.66%</b>	1126743	5.66%

**Note : 3**

**Reserves and Surplus :**

<b>(a) Preference Shares Redemption Reserve</b>	<b>0</b>	<b>3</b>
Less : Utilised during the year for issue of Bonus Shares	<u>0</u>	<u>3</u>
	<u>0</u>	<u>0</u>
<b>(b) Foreign Currency Translation Reserve</b>	<b>2277</b>	<b>1823</b>
	<u>2277</u>	<u>1823</u>
<b>(c) General Reserve</b>		
As at Commencement of the year	<b>35078</b>	<b>35908</b>
Add : Transferred from statement of Profit & Loss	<b>515</b>	<b>493</b>
Less : Utilised during the year for issue of Bonus Shares	<u>995</u>	<u>1323</u>
	<u><b>34598</b></u>	<u><b>35078</b></u>

**NOTES CONTINUED**

**(CONSOLIDATED)**

	<b>As at 31st March 2016 (Amount in ₹ Lacs)</b>	<b>As at 31st March 2015 (Amount in ₹ Lacs)</b>
<b>(d) Profit &amp; Loss Account - As per account annexed</b>		
Opening Balance	47114	41932
Add: Profit for the year	<u>7824</u>	<u>7435</u>
	<b>54938</b>	<b>49367</b>
Less: Appropriations		
Transfer to General Reserve	515	493
Interim Dividend Paid	895	0
Tax on Interim Dividend Paid	182	0
Proposed Dividend on Equity Shares	0	1293
Provision for Tax on Proposed Dividend	0	259
Adjustment related to Fixed Assets	<u>0</u>	<u>208</u>
	<b>53346</b>	<b>47114</b>
<b>TOTAL</b>	<b><u>90221</u></b>	<b><u>84015</u></b>

**Note : 4**

**Long Term Borrowings**

**Unsecured**

From Salarpuria Properties Pvt. Ltd.	10	172
From SPPL Property Management Pvt. Ltd.	81	212
Debentures		
687500 ( 687500) 1% Redeemable Non Convertible Debentures	6875	6875
368000 ( Nil) 1% Redeemable Non Convertible Debentures	<u>368</u>	<u>0</u>
<b>TOTAL</b>	<b><u>7334</u></b>	<b><u>7259</u></b>

**Note : 5**

**Deferred Tax Liabilities (Net)**

**- Deferred Tax Liabilities**

- Due to difference between WDV of Fixed Assets as per books of accounts and Income Tax Act, 1961	30	59
<b>TOTAL</b>	<b><u>30</u></b>	<b><u>59</u></b>

**Note : 6**

**Short Term Borrowings**

**6(a) Secured:**

Overdraft against fixed deposit receipts from Nationalised Banks	25691	17836
Cash Credit Limits from Nationalised Banks	0	94
Export Packing Credit Limits from Nationalised Banks	<u>0</u>	<u>1003</u>
<b>TOTAL</b>	<b><u>25691</u></b>	<b><u>18933</u></b>

**6(a)(i) Description of the Security Given:**

**(A) Holding Company:**

During the year the Company has formally entered into consortium banking arrangement with nine banks. Allahabad Bank is the lead bank of the consortium. As a result all the securities given under the multiple banking arrangement have now been transferred to the lead bank of the consortium (Allahabad bank).

**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 paripassu basis):
  - Property at Noida owned by the Company itself.
  - 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 of Term Deposit of Rs.2203 lacs
- III. Lien of Mutual Funds of Rs.1715 lacs
- IV. Lien of Term Deposit of Rs.195 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 Company:**

KPL Exports Private Limited, A wholly owned subsidiary of the Company availed various credit facilities from banks. The securities given are as under:-

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

Collateral Securities: Equitable mortgage of property at Pune owned by a director & Equitable mortgage of another property at Vizianagram owned by other Company. Fixed deposits of Rs. 4803 lacs. Personal guarantees of two directors and corporate guarantees by the holding company and another Company.

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

	<b>As at 31st March 2016 (Amount in ₹ Lacs)</b>	As at 31st March 2015 (Amount in ₹ Lacs)
<b>6(b) Unsecured</b>		
Loans and Advances from Related Parties		
Loans from Directors (Refer Note No. 40)	<b>5552</b>	280
From Others		
Car Loan	<b>163</b>	0
<b>TOTAL</b>	<b>5715</b>	280
<b>GRAND TOTAL</b>	<b>31406</b>	19213

**Note : 7**

**Trade Payables**

Trade Payables (including acceptances)	<b>316583</b>	300612
<b>TOTAL</b>	<b>316583</b>	300612

**NOTES CONTINUED**

**(CONSOLIDATED)**

As at  
**31st March 2016**  
(Amount in ₹ Lacs)

As at  
31st March 2015  
(Amount in ₹ Lacs)

**Note : 8**

**Other Current Liabilities**

Advance Against Orders	29005	95841
Due to Directors	7	4
Unclaimed / Unpaid Dividend	33	20
Security Deposit Received	428	428
Statutory Liabilities	125	179
Interest Accrued & Due	257	202
Outstanding Liabilities	<u>1159</u>	<u>1394</u>
<b>TOTAL</b>	<u><b>31014</b></u>	<u><b>98068</b></u>

**Note : 9**

**Short Term Provisions**

Provision for Taxation	9738	10130
Proposed Dividend	0	1293
Tax on Proposed Dividend	0	259
<b>TOTAL</b>	<u><b>9738</b></u>	<u><b>11682</b></u>

**Note : 10**

**Fixed Assets**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.15	Additions	Transfer	As at 31.03.16	Up To 31.03.15	For the year	Adjust- ment	Up To 31.03.16	As at 31.03.16	As at 31.03.15
	<b>Tangible Assets:</b>									
Freehold Land	251	0	0	251	251	0	0	251	0	0
Leasehold Land*	510	0	0	510	0	0	0	0	510	510
Building (Office)	2523	0	0	2523	465	43	0	508	2015	2058
Building Noida	980	0	0	980	47	16	0	63	917	933
Building(Godown)	297	0	0	297	10	5	0	15	282	287
Flats	990	0	0	990	47	15	0	62	928	943
Motor Cars	1031	330	84	1277	511	134	33	612	665	520
Computers	38	11	0	49	32	5	0	37	12	6
Office Equipment	141	5	0	146	127	6	0	133	13	14
Temporary Structure	77	0	0	77	77	0	0	77	0	0
Furniture & Fixture	76	0	0	76	45	10	0	55	21	31
Plant & Machinery	446	0	0	446	28	28	0	56	390	418
<b>TOTAL</b>	7360	346	84	<b>7622</b>	1640	262	33	<b>1869</b>	<b>5753</b>	5720
<b>Intangible Assets:</b>										
Computer Software	0	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>	7360	346	84	<b>7622</b>	1640	262	33	<b>1869</b>	<b>5753</b>	5720
<b>Previous Year</b>	7203	294	137	<b>7360</b>	1293	237	-110	<b>1640</b>	<b>5720</b>	

\*Land allotted by New Okhla Industrial Development Area, Ghaziabad for 99 years as per Lease Deed dated 22nd February, 1985



**NOTES CONTINUED**

**(CONSOLIDATED)**

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>NOTE : 11</b>				
<b>Non Current Investments</b>				
<b>A. Quoted - Non Trade</b>				
<b>I. Equity Shares, Each, Fully Paid-up</b>				
Agro Tech Foods Ltd. of Rs.10/-	12000	12000	67	67
Alok Industries Ltd. of Rs.10/-	20000	20000	2	2
Alstom India Ltd of Rs.10/-	38005	38005	281	281
Bajaj Corp Ltd. of Re.1/-	23944	23944	65	65
Bajaj Finance Limited of Rs.10/-	600	600	7	7
Camson Biotechnologies Ltd of Rs.10/-	10000	10000	6	6
Camson Seeds Ltd Ltd of Rs.10/-	10000	0	0	0
Cummins India Ltd of Rs.2/-	29894	29894	0	0
IDFC Limited of Rs.10/-	94500	94500	100	165
IDFC Bank Limited of Rs.10/-	94500	0	65	0
Jammu & Kashmir Bank Ltd. of Re.1/-	22500	22500	31	31
J M Financial Ltd. of Re.1/-	7500	7500	3	3
Jyothy Laboratories Ltd of Re.1/-	14000	14000	24	24
Lanco Infratech Ltd. of Re.1/-	55000	55000	4	4
Larsen & Toubro Ltd. of Rs.2/-	2000	2000	30	30
Man Industries (India) Ltd. of Rs.5/-	5000	5000	4	4
Marico Ltd of Re.1/-	110000	60500	124	136
Kaya Ltd. of Rs.10/-	1210	1210	0	0
Motherson Sumi Systems Ltd of Re.1/-	3000	2000	2	2
Nakoda Limited of Rs.5/-	20000	20000	2	2
Omaxe Ltd. of Rs.10/-	3000	3000	5	5
Rallis India Ltd of Re.1/-	30000	30000	46	46
Reliance Industries Ltd. of Rs.10/-	25500	25500	225	225
Stampede Capital Limited of Rs.10/-	0	95000	0	83
Stampede Capital Limited of Re.1/-	600000	0	53	0
State Bank of India of Re.1/-	150	150	0	0
Dhanlaxmi Bank Limited of Rs.10/-	215000	215000	359	359
Karur Vysya Bank Ltd. of Rs. 10/-	45000	45000	143	143
Tata Steel Ltd. Of Rs.10/-	8500	0	23	0
Triveni Turbine Ltd. of Re.1/-	12500	12500	7	7
Uflex Ltd. of Rs. 10/-	492056	492056	498	498
Usha Martin Ltd. of Re.1/-	10000	10000	4	4
Whirlpool of India Ltd. of Rs.10/-	96000	96000	299	299
Zylog Systems Ltd. of Rs.5/-	90000	90000	252	252
<b>Aggregate Cost</b>			<b>2731</b>	<b>2750</b>
<b>Aggregate Market Value</b>			<b>3500</b>	<b>3363</b>
<b>B. Unquoted</b>				
<b>I. Non-trade</b>				
(a) Capital Contribution in India Growth Fund			240	320
(b) Application Money for Shares			2156	2936
<b>II. Trade</b>				
<b>(a) Investments in Equity Shares of other Companies, each Fully paid up</b>				
Hara Parvati Realtors Pvt. Ltd. of Rs. 10/-	25000	12750	1624	1
Real Griha Nirman Private Ltd. of Rs.10/-	10000	10000	1	1
Shubhadra Realtors Private Ltd. of Rs.10/-	10000	10000	1	1
Sankhya Realtors Private Ltd. of Rs.10/-	10000	10000	1	1
SPPL Hotels Private Ltd. of Rs.10/-	250000	127500	478	13
Sattva Realtors Pvt Ltd of Rs.10/-	12500	12500	1	1
Neelanchal Con-tech Private Limited of Rs.10/-	10000	10000	1	1
Raj Power Parts & Engg. Co. Pvt Ltd of Rs.100/-	3700	3700	594	594

**NOTES CONTINUED**

**(CONSOLIDATED)**

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
<b>(b) Investment in Preference Shares of companies, each fully paid-up of Rs.10/- each</b>				
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1621271	1621271	2770	2770
0.001% Non Cumulative Compulsorily Convertible Preference Shares of SPPL Hotels Pvt. Ltd.	1557692	0	1480	0
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of Hara Parvati Realtors Pvt. Ltd.	849233	849233	591	591
0.001% Non Cumulative Compulsorily Convertible Preference Shares of Hara Parvati Realtors Pvt. Ltd.	815929	0	1477	0
<b>(c) Others</b>				
National Savings Certificate (Deposited with Commercial Tax)			0	0
1% Unsecured Non Convertible Debentures of Real Griha Nirman Private Ltd.	30000	30000	300	300
1% Optionally Convertible Debentures of Neelanchal Con-tech Private Ltd.	12000	12000	1200	1200
			<u>2461</u>	<u>2461</u>
<b>TOTAL (B)</b>			<u>15376</u>	<u>11191</u>
<b>TOTAL (A+B)</b>			<u>18107</u>	<u>13941</u>
		<b>As at 31st March 2016 (Amount in ₹ Lacs)</b>		<b>As at 31st March 2015 (Amount in ₹ Lacs)</b>

**Note : 12**

**Deferred Tax Assets (Net)**

- Deferred Tax Assets				
- Due to difference between WDV of Fixed Assets as per books of accounts and Income Tax Act, 1961		42		0
<b>TOTAL</b>		<u>42</u>		<u>0</u>

**Note : 13**

**Long Term Loans and Advances (Unsecured Considered Good):**

(a) Security Deposits		554		563
(b) Loans & Advances to related parties				
Loans to Associate Companies/ Enterprises over which KMP are able to exercise significant influence		2827		3306
(c) Other Loans & Advances:				
Service Tax Input Credit Receivable		13		13
Advance for Properties		372		372
Advance paid for APHP		55		55
Loans to Others		2520		2143
<b>TOTAL</b>		<u>6341</u>		<u>6452</u>

**NOTES CONTINUED**

**(CONSOLIDATED)**

	Quantity (Nos.)		Amount in ₹ Lacs	
	<b>As at 31.03.2016</b>	As at 31.03.2015	<b>As at 31.03.2016</b>	As at 31.03.2015
<b>Note : 14</b>				
<b>Current Investments</b>				
<b>(A) Mutual Funds (Units, each, fully paid-up):</b>				
HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Weekly Dividend of Rs.10/-	0.000	151182.402	0	15
Reliance Money Manager Fund-Growth Plan Growth Option of Rs.1000/-	52060.260	0.000	1070	0
SBI Magnum Income Fund-Regular Plan-Growth of Rs.10/-**	5617959.124	5617959.124	1715	1715
BOI AXA Capital Protection Oriented Fund- Series 2 of Rs.10/-	999990.000	999990.000	100	100
<b>Aggregate Cost</b>			<b>2885</b>	1830
Less: Provision for diminution in value of Mutual Funds			0	0
	<b>(A)</b>		<b>2885</b>	1830
<b>Aggregate Market Value</b>			<b>3193</b>	2018
<b>(B) Fixed Deposit Accounts (Including interest accrued but not due) **</b>	<b>(B)</b>		<b>161945</b>	189966
	<b>(A)+(B)</b>		<b>164830</b>	191796

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

	<b>As at 31st March 2016 (Amount in ₹ Lacs)</b>	As at 31st March 2015 (Amount in ₹ Lacs)
<b>Note : 15</b>		
<b>Inventories - (At cost or net realisable Value whichever is lower, as certified by the management)</b>		
Trading Items	2871	2056
Real Estate (Work-in- Progress)	17024	17840
Real Estate (Constructed Premises)	1387	0
<b>TOTAL</b>	<b>21282</b>	19896

<b>Note : 16</b>		
<b>Trade Receivables (Unsecured Considered good)</b>		
(a) Debts outstanding for over six months	9661	5917
(b) Other receivables	226741	245539
<b>TOTAL</b>	<b>236402</b>	251456

<b>Note : 17</b>		
<b>Cash &amp; Cash Equivalent</b>		
Cash & Bank Balances:		
(a) (i) Cash in hand	43	94
(ii) Cheques in Hand	0	2400
(b) Balances with Scheduled Banks		
(i) In Current Accounts & E E F C Account	10140	1238
(ii) In Unclaimed Dividend accounts	33	20
(iii) In Fixed Deposit Account (Including interest accrued but not due)	4622	4420
<b>TOTAL</b>	<b>14838</b>	8172

**NOTES CONTINUED**

**(CONSOLIDATED)**

	<b>As at 31st March 2016 (Amount in ₹ Lacs)</b>	<b>As at 31st March 2015 (Amount in ₹ Lacs)</b>
<b>Note : 18</b>		
<b>Short Term Loans and Advances</b>		
Advance Income Tax and Tax Deducted at Source	10817	11505
<b>Other Loans &amp; Advances</b>		
- Advance recoverable in cash or in kind or for value to be received or pending adjustments	10682	13743
<b>TOTAL</b>	<u><b>21499</b></u>	<u><b>25248</b></u>
	<b>Year Ended 31st March 2016 (Amount in ₹ Lacs)</b>	<b>Year Ended 31st March 2015 (Amount in ₹ Lacs)</b>
<b>Note : 19</b>		
<b>Revenue from Operations</b>		
(a) Sales of Traded Goods	669926	647319
(b) Other Operating Revenues		
(i) Interest Earned on Bank Deposits held for Business Purposes & others	15439	15020
(ii) Miscellaneous Income	359	399
(iii) Rental Income	703	702
<b>TOTAL</b>	<u><b>686427</b></u>	<u><b>663440</b></u>
<b>Note : 20</b>		
<b>Other Income</b>		
(a) Dividend Income	50	38
(b) Interest on Loans	563	562
(c) Profit on Sale of Investments	197	314
<b>TOTAL</b>	<u><b>810</b></u>	<u><b>914</b></u>
<b>Note : 21</b>		
<b>Purchases of Stock-in-Trade</b>		
Purchases of Traded Goods	660179	631907
<b>TOTAL</b>	<u><b>660179</b></u>	<u><b>631907</b></u>
<b>Note : 22</b>		
<b>Increase (-) / Decrease (+) in inventories of Stock-in-trade</b>		
<b>Opening Stock:</b>		
Trading Items	2056	2861
Real Estate (Work-in-Progress)	5143	5051
<b>TOTAL</b>	<u><b>7199</b></u>	<u><b>7912</b></u>
<b>Closing Stock :</b>		
Trading Items	2857	2056
Real Estate (Work-in-Progress)	3932	5143
Real Estate (Constructed Premises)	1387	0
<b>TOTAL</b>	<u><b>8176</b></u>	<u><b>7199</b></u>
	<u><b>-977</b></u>	<u><b>713</b></u>

**NOTES CONTINUED**

**(CONSOLIDATED)**

**Year Ended  
31st March 2016  
(Amount in ₹ Lacs)**

**Year Ended  
31st March 2015  
(Amount in ₹ Lacs)**

**Note : 23**

**Employee Benefit Expenses**

Salaries, Wages and Bonus	431	401
Contribution to Provident and other Funds	19	14
Gratuity	0	6
Staff welfare and Other Expenses	82	78
<b>TOTAL</b>	<u>532</u>	<u>499</u>

**Note : 24**

**Finance Cost**

Interest Cost	4731	3009
<b>TOTAL</b>	<u>4731</u>	<u>3009</u>

**Note : 25**

**Other Expenses**

Electricity Expenses	72	72
Bank Charges	2814	2392
General Insurance	41	39
Transit Insurance	0	3
Rent	163	150
Rates & Taxes	21	26
Loss on Foreign Currency Transactions and Translation	4217	9915
Loss on sale of Fixed Asset	3	3
Repairs :		
Building	45	33
Others	40	44
Selling & Distribution Expenses	1165	144
Travelling & Conveyance	141	156
Miscellaneous Expenses	1581	3432
Corporate Social Responsibility Expenses	193	182
Payment to Auditors :		
Statutory Audit Fee	19	20
Tax Audit Fee	1	1
Directors' Remuneration	21	21
Directors' Commission	467	440
Directors' Sitting Fee	0	0
<b>TOTAL</b>	<u>11004</u>	<u>17073</u>

**NOTES CONTINUED**

**(CONSOLIDATED)**

**Year Ended  
31st March 2016  
(Amount in ₹ Lacs)**

**Year Ended  
31st March 2015  
(Amount in ₹ Lacs)**

**Note : 26**

**Contingent Liabilities**

Corporate Guarantees issued by the Company to certain banks on behalf of one of its subsidiary	<b>39235</b>	31423
	<b>(USD 59.15 Million)</b>	(USD 49.5 Million)
Corporate Guarantee issued by the Company to Nationalised banks on behalf of one of its wholly owned subsidiary	<b>42500</b>	42500
Corporate Guarantee issued by the subsidiary Companies to Nationalised banks	<b>166000</b>	20500
Corporate Guarantee issued by the Company to Nationalised banks on behalf of associate companies	<b>38300</b>	26000
Other Corporate Guarantee issued by the Company to a Nationalised bank	<b>NIL</b>	3000

**Note: 27**

**Segment Information ( Information about Business Segments) :**

**27.1. The Company operates in two business segments-**

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

**Year Ended  
31st March 2016  
(Amount in ₹ Lacs)**

**Year Ended  
31st March 2015  
(Amount in ₹ Lacs)**

**27.2. Segment Information are as under-**

(A) Segment Revenue (Net Sales/ Income)		
(a) Trading Items	<b>685549</b>	662692
(b) Real Estate etc.	<b>1688</b>	1660
	<b><u>687237</u></b>	<u>664352</u>
(B) Segment Results [Profit(+) / Loss(-) Before Tax]		
(a) Trading Items	<b>15070</b>	13013
(b) Real Estate etc.	<b>1168</b>	913
Net Profit Before Interest	<b>16238</b>	13926
(c) Interest Expenses	<b>4731</b>	3009
Net Profit Before tax	<b><u>11507</u></b>	<u>10917</u>
(C) Capital Employed (Segment Assets - Segment Liabilities)	<b>As at 31.03.2016</b>	As at 31.03.2015
(a) Trading Items	<b>60561</b>	52795
(b) Real Estate etc.	<b>32645</b>	33210
(Capital employed is net of inter-segmental transfer)	<b><u>93206</u></b>	<u>86005</u>

**Note : 28**

Related Party Disclosures in accordance with the Accounting Standards (AS-18) 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India 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 | (d) Smt. Arti Kothari  | (g) Smt. Urvi Kothari                               |
| (b) Shri Mitesh Kothari - Executive Director           | (e) Smt. Reeta Shah    | (h) Shri Raj Kumar Gupta - C S & Compliance Officer |
| (c) Smt. Hemani Gowani                                 | (f) Mitesh Kothari HUF | (i) Shri Anurag Tandon- CFO                         |

**(B) Associate Companies:**

- Hara Parvati Realtors Pvt. Ltd.
- Real Griha Nirman Private Ltd.
- Shubhadra Realtors Private Ltd.
- Sankhya Realtors Private Ltd.
- SPPL Hotels Private Ltd.
- Sattva Realtors Pvt Ltd
- Neelanchal Con-tech Private Limited

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

- |   |  |  |
|---|--|--|
| -ARA India LLP                            | -Fobos Properties Pvt. Ltd.                      | -Salarpuria Consultants Pvt. Ltd.              |
| -Aangan Properties Pvt. Ltd.              | -H & M Housing Finance & Leasing Pvt. Ltd.       | -Salarpuria Profin Pvt. Ltd.                   |
| -Aastitva Builders & Developers Pvt. Ltd. | -IMK Agro Developers Pvt. Ltd.                   | -Saphire Housing Pvt. Ltd.                     |
| -Aman Leasing & Housing Finance Pvt. Ltd. | -IMK Agro- Tech Properties Pvt. Ltd.             | -Scaffold Properties Pvt. Ltd.                 |
| -Aman Overseas Pvt. Ltd.                  | -IMK Developers Pvt. Ltd.                        | -Sequence Properties Pvt. Ltd.                 |
| -Aman Spices Pvt. Ltd.                    | -IMK Hospitality Pvt. Ltd.                       | -Sharda Mansukhlal Kothari Charitable Trust    |
| -Ambakeshwar Realtors Pvt. Ltd.           | -Kothari Detergents Limited                      | -Shilpi Property Developers (Bombay) Pvt. Ltd. |
| -Arti Properties Pvt. Ltd.                | -Kothari World Infrastructure Pvt. Ltd.          | -Sky King Realtors LLP                         |
| -Arti Web- Developers Pvt. Ltd.           | -Kripalu Infratech & Builders Pvt. Ltd.          | -Splint Realtors LLP                           |
| -BKC Properties Pvt. Ltd.                 | -Lohewala Construction Pvt. Limited              | -Super King Realtors LLP                       |
| -Black Plinth Developers LLP              | -Mataji Developers Pvt. Ltd.                     | -Supraja Properties Pvt. Ltd.                  |
| -Blue Berry Trading Company Pvt. Ltd.     | -MK Profinlease Pvt. Ltd.                        | -Synergy School Systems Pvt. Ltd.              |
| -Camelia Griha Nirman Pvt. Ltd.           | -Monotype Griha Nirman Pvt. Ltd.                 | -Titania Technology Pvt. Ltd.                  |
| -Clastic Rock Realtors Pvt. Ltd.          | -MSR Properties Pvt. Ltd.                        | -Township Real Estate Developers (I) Pvt. Ltd. |
| -Dham Securities Pvt. Limited             | -Orbus Property Pvt. Ltd.                        | -Vaishnodevi Realtors Pvt. Ltd.                |
| -DK Web-Tech Pvt. Ltd.                    | Pandeeep Technologies & Infrastructure Pvt. Ltd. | -Venkatesh Griha Nirman Pvt. Ltd.              |
| -DMK Holdings Pvt. Ltd.                   | -Pan Parag India Limited                         | -Warasgaon Lake View Hotels Ltd.               |
| -Ekta Flavours Pvt. Limited               | -Parmy Manufactory Pvt. Ltd.                     | -White Plinth Realtors LLP                     |
| -Eveready Housing LLP                     | -Raj Power Parts and Engineering Co Pvt Ltd      | -Yoga Builders Pvt. Ltd.                       |

(ii) Summary of Transactions:

(Amount in ₹ Lacs)

Particulars	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	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Directors' /KMP Remuneration etc.	518	491	0	0
On Account of Expenses	16	13	66	62
On Account of Interest on Loan Taken	110	19	0	0
On Account of Income - Rent	0	0	12	12
Interest Income on Loan Given	0	0	350	341
Interest Received on Debentures	0	0	15	15
Investment in Shares During the year	0	0	5045	312
Investment in Debentures During the year	0	0	0	0
Dividend Paid	1399	763	242	132
Corporate Guarantees issued and outstanding as on date	0	0	38300	26000
Outstanding (Payable)	57	187	0	0
Outstanding (Receivable)	0	0	2827	3306

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

**Note : 29**

The details regarding associate companies in accordance with the Accounting Standard (AS)-23 'Accounting for Investments in associates in Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India are as under -

Name of Associates	Proportion of Ownership
Haraparvati Realtors Pvt. Ltd.	50%
Real Griha Nirman Pvt. Ltd.	50%
Shubhadra Realtors Pvt. Ltd.	50%
Sankhya Realtors Pvt Ltd.	45%
SPPL Hotels Pvt. Ltd.	50%
Sattva Realtors Pvt Ltd	25%
Neelanchal Con-tech Pvt Ltd.	50%

The investment in the associates have been acquired and held exclusively with a view to its subsequent disposal in the near future. Therefore, Investments in such associates have been accounted for in accordance with Accounting Standard (AS) 13, Accounting for Investments.

Year Ended 31st March 2016 (Amount in ₹ Lacs)	Year Ended 31st March 2015 (Amount in ₹ Lacs)
---	---

**Note : 30**

**Earning Per Share**

(a) Profit after tax (Profit attributable to Equity Shareholders)	7824	7435
(b) Weighted average nos. of Equity Shares (Pre-Bonus) for Basic / Diluted EPS	19895910	19895910
(c) Nominal Value of Equity Share (in Rs.)	10.00	10.00
(d) Basic and Diluted Earning per Equity Share (in Rs.) (Pre-Bonus)	39.32	37.37
(e) Weighted average nos. of Equity Shares (Post Bonus) for Basic / Diluted EPS	29843865	29843865
(f) Basic and Diluted Earning per Equity Share (in Rs.) (Post Bonus)	26.21	24.91



**NOTES CONTINUED**
**(CONSOLIDATED)**
**Note : 31**

- (i) The deferred tax liability amounting to Rs. 30 lacs (Previous year Rs. 59 lacs) is on account of time difference of Depreciation which is capable of being reversed in one or more subsequent years. The deferred tax liability amounting to Rs. 29 lacs (Previous year Rs. 49 lacs) has been reversed during the year.
- (ii) During the year the deferred tax asset amounting to Rs. 42 lacs (Previous year Rs. NIL) is on account of time difference of Depreciation which is capable of being reversed in one or more subsequent years. The deferred tax asset amounting to Rs.42 lacs (Previous year Rs.Nil) has been created during the year.

**Note : 32**

During the year finance cost of Rs. 100 Lacs (Previous Year Rs. 338 Lacs) has been transferred to Construction Work-in-Progress a/c in accordance with Accounting Standard 16 'Borrowing Costs' issued by the Institute of Chartered Accountants of India.

**Note : 33**
**(A) Forward Contracts (hedged) outstanding as at Balance Sheet date are as under -**

(Figures in Lacs)

Particulars of Derivatives	Derivative Contracts	31.03.2016		31.03.2015		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	1765	117073	2885	183134	Hedge of Export and other Receivables
Buy	USD/INR	1221	80961	3672	233047	Hedge of Import and other Payables

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

(Figures in Lacs)

Particulars	Currency	31.03.2016		31.03.2015	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	1253	83090	660	41927
Import and other Payables	USD	3579	237432	2248	142720

**Note : 34**
**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 rent receivable under non-cancelable operating lease are as under:-

(Amount in ₹ Lacs)

Particulars	As on 31.03.2016	As on 31.03.2015
Not later than one year	384	384
Later than one year and not later than five year	70	454
Later than five year	0	0

**Note : 35**

The Company allotted 9947955 Equity shares of Rs. 10/- each as Bonus Shares on 7th January, 2016 in the ratio of 1 Bonus Share for every 2 existing shares held by the members as on 6th January, 2016. Consequently the paid-up equity share capital of the company has increased from Rs. 1990 lacs to Rs. 2985 lacs w.e.f. 7th January, 2016.

**Note : 36**

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 : 37**

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

**Note : 38**

In terms of Accounting Standard 28 "Impairment of Assets" Issued by the Institute of Chartered Accountants of India, provision for impairment loss on assets for the year is not required.

**Note : 39**

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., Riverview Land Developers Pvt. Ltd., Pinehills (Singapore) Pte. Ltd. (100% subsidiary of Kothari Products Singapore Pte. Ltd.), MK Web-Tech Pvt. Limited, Sukhdham Constructions & Developers Limited and Blackplinth Realtors Pvt. Ltd.

**Note : 40**

Loan from Directors includes Rs.5502 lacs ( Previous year Rs.97 lacs) loan taken by the subsidiaries from their directors.

**Note : 41**

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 : 20th May, 2016

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016

PARTICULARS	2015-2016	(Amount in ₹ Lacs) 2014-2015	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>			
<b>Net Profit before Tax</b>	<b>11507</b>		10917
Adjustments for:			
- Depreciation	261		236
- Finance Cost	4731		3009
- Exchange Translation Reserve on Consolidation	455		488
- Net Unrealised Forex (Gain)/loss	235		3732
- Profit (-) / Loss on Sale of Assets	3		3
- Net (gain)/Loss on Sale of Investments	-197		-314
- Interest Income	-563		-562
- Dividend Income	-50	4875	-38
<b>Operating Profit/ (loss) before working capital changes</b>	<b>16382</b>		17471
Adjustments for:			
- Trade Receivables & Others	-50529		-30821
- Inventories	-1386		-993
- Trade payables & Others	17323	-34592	47708
<b>Cash Generated from Operations</b>	<b>-18210</b>		33365
Net Income Tax (paid)/ Refund	-3457		-3841
<b>Net Cash flow from/(used in) Operating Activities</b>	<b>-21667</b>		29524
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>			
- Purchase of Fixed Assets	-346		-294
- Sale of Fixed Assets	48		36
- Purchase of Investments- Others	-8958		-37433
- Sale of Investments	31954		9155
- Loans to associate companies (Net)	479		-279
- Loans to others	-378		-49
- Interest Received	563		562
- Dividend Received	50	23412	38
<b>Net Cash flow from/(used in) Investing Activities</b>	<b>23412</b>		-28264
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>			
- Secured Loans from banks	6758		-6228
- Unsecured Loans	238		372
- Loans from director	5272		-46
- Dividend Paid	-2175		-1193
- Tax on Dividend Paid	-441		-203
- Finance Cost	-4731	4921	-3009
<b>Net Cash flow from/(used in) Financing Activities</b>	<b>4921</b>		-10307
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>6666</b>		-9047
<b>Cash &amp; Cash Equivalents - Opening Balance</b>	<b>8172</b>		17219
<b>Cash &amp; Cash Equivalents - Closing Balance</b>	<b>14838</b>		8172

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 : 20th May, 2016

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

**FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31.03.2016**

(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	Sukhdham Constructions & Developers Limited	31.03.2016	10	304	958	958	0	0	0	60	38	15	23	0	100%
2	MK Web-Tech Pvt. Limited	31.03.2016	25	1500	1752	1752	0	0	0	307	261	68	193	0	100%
3	KPL Exports Pvt. Limited	31.03.2016	600	16699	110114	110114	594	2209	2803	113284	2308	811	1497	0	100%
4	Kothari Products Singapore Pte. Limited*	31.03.2016	5051	6178	33194	33194	0	0	0	108723	1161	155	1006	0	99.99998%
5	Savitrimata Realtors Pvt. Limited	31.03.2016	5	-15	10207	10207	0	0	0	2	-1	0	-1	0	51%
6	Blackplinth Realtors Pvt Limited	31.03.2016	5	-4	2798	2798	0	0	0	0	-1	0	-1	0	54%
7	Riverview Land Developers Pvt Limited	31.03.2016	10	-30	2244	2244	0	0	0	0	-1	0	-1	0	90%

\*The reporting currency of Financials of M/s Kothari Products Singapore Pte Ltd is in USD(\$) and conversion rate applied is 1USD = Rs. 66.3329

As per our report of even date attached hereto.

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

(VIVEK KUMAR)  
Partner  
Membership No. 408227

Place : Kanpur  
Date : 20th May, 2016

For and on behalf of the Board

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

(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**

Name of The Enterprises	Net Assets i.e. Total Assets Minus Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (Rs in Lacs)	As % of Consolidated Profit or Loss	Amount (Rs in Lacs)
<b>Parent</b>				
Kothari Products Limited	83.92	78223	65.76	5145
<b>Subsidiaries</b>				
<b>Indian</b>				
Sukhdham Constructions & Developers Limited	0.34	314	0.29	23
MK Web-Tech Pvt Ltd	1.64	1525	2.47	193
KPL Exports Pvt Ltd	18.56	17299	19.13	1497
Savitrimata Realtors Pvt Ltd	-0.01	-10	-0.01	-1
Blackplinth Realtors Pvt Ltd	0.00	1	-0.01	-1
Riverview Land Developers Pvt Ltd	-0.02	-20	-0.01	-1
<b>Foreign</b>				
Kothari Products Singapore Pte Ltd	12.05	11229	12.86	1006
<b>Minorities Interest</b>	0.00	2	0.00	0

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

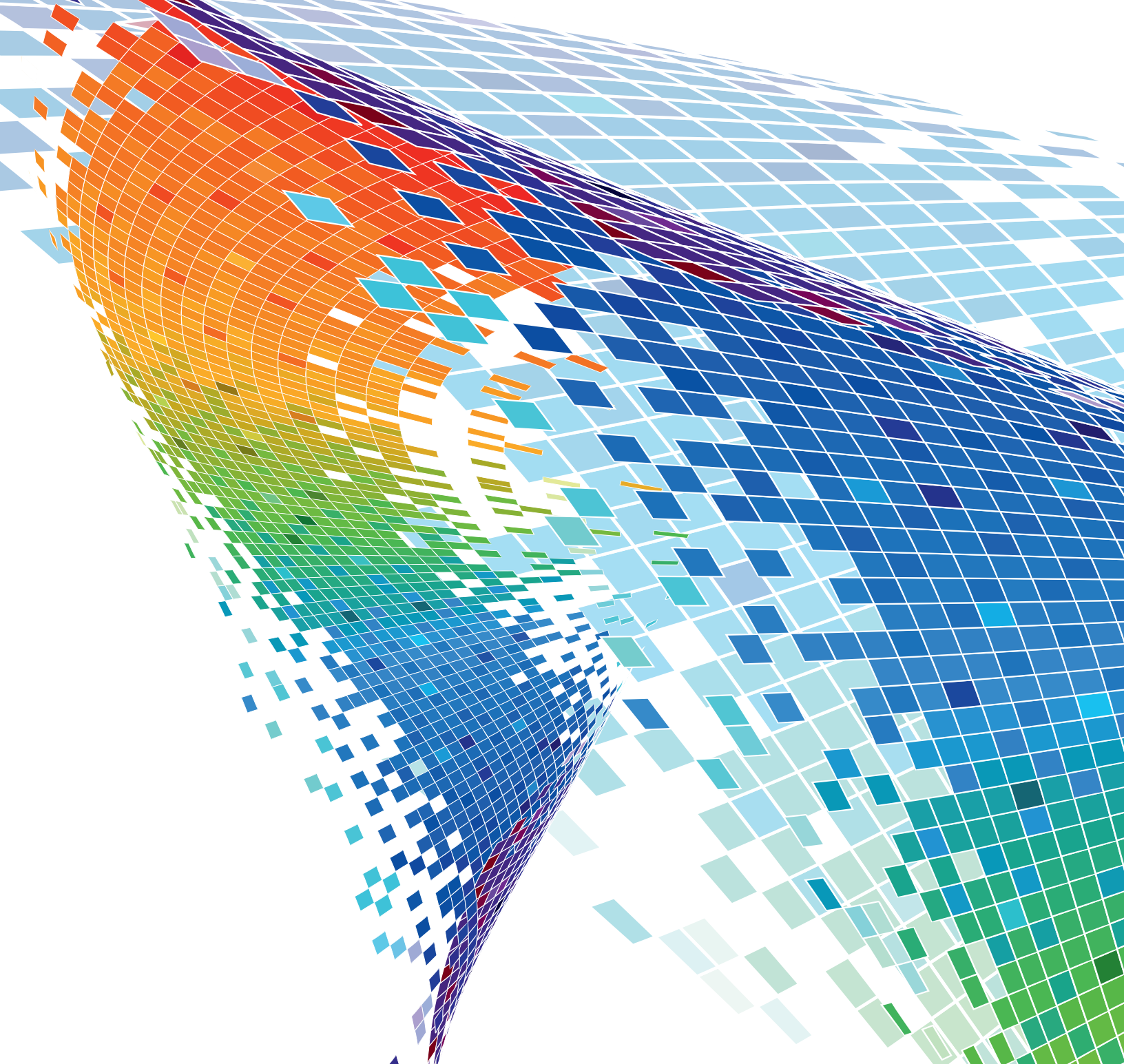
(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 20th May, 2016

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer



**KOTHARI**  
PRODUCTS LIMITED

**(CIN: 16008UP1983PLC006254)**

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

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Email: [info@kothariproducts.in](mailto:info@kothariproducts.in), [kothari@kothariproducts.in](mailto:kothari@kothariproducts.in)