



KOTHARI
PRODUCTS LIMITED



31st annual report
2014-2015

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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

ARTI KOTHARI (upto 28th July, 2015)

POONAM ACHARYA (w.e.f. 24th July, 2015)

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.kothariproductions.in>

E - mail : info@kothariproductions.in

Ph. Nos. (0512) 2312171 - 74, Fax No. (0512) 2312058

INVESTORS' GRIEVANCE E-MAIL ID

rkgupta@kothariproductions.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



M. M. KOTHARI
Our Founder Chairman

Chairman's Message



Dear Fellow Share Owners,

I am happy to share my views with you once again this year.

Last year, I shared my optimism about the future growth in India in view of a stable Government at the Centre.

It was quite evident by way of recovery in Economy with lower fiscal and Current Account Deficit, lowering of Interest rates by RBI, lower rate of Inflation, stable and sustainable

Government Policies, all provided encouragement for an overall more positive economic out - look.

International economy however, is yet to gain momentum. Although the leading developed economy has showed some signs of momentum but some Geo-political concerns are still genuine.

International Crude Oil prices continued to decline which has contained our inflation rate to some extent. Less volatile currency market as compared to the year gone by contributed to stability in International Trade. Looking ahead, I am quite optimistic about the International Trade to grow at a good pace.

Your Company registered a satisfactory growth both in terms of Revenue from Operations and Profits. To share the success among all the share owners, your Directors have recommended a higher dividend this year. We are looking forward to continue to generate sustained value for our all the stake holders.

“Make in India” initiative of the Government augurs well not only for the growth of domestic industry but for the International Trade as well. I am quite hopeful that this initiative will definitely lead to rapid growth of domestic economy. Government's focus in infrastructure investment will boost the sentiments in Infrastructure and Real Estate sectors which witnessed a sluggish growth in the recent past.

As a responsible Corporate Citizen, we are committed to the cause of Socio, Economic and Environmental parameters. Our group is dedicated towards philanthropic activities in the fields of education, Community initiatives etc. The Company has contributed an amount of Rs.1.52 Cr towards the Corporate Social Responsibility (CSR) activity.

I extend my sincere thanks to my passionate “TEAM” and take great pride in their efforts. I extend my gratitude to all the stake holders including Consortium of Banks lead by Allahabad Bank for their unflinching support and faith in us.

Thank you all for your continued support which I sincerely appreciate and looking forward to a yet another successful year.

With best wishes
Yours truly



Deepak Kothari

Place : Kanpur
Dated : 28th July, 2015

NOTICE :

Notice is hereby given that the Thirty First Annual General Meeting of the Members of Kothari Products Limited will be held on Thursday, the 24th September, 2015 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 Standalone & Consolidated Balance Sheets of the Company as at 31st March, 2015 and the Profit & Loss Accounts for the financial year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend for the aforesaid financial year.
3. To appoint a Director in place of Sri Mitesh Kothari (DIN : 00089076), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Mehrotra & Mehrotra, Chartered Accountants, retiring Auditors, as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS :

5. **To consider and if thought fit, to pass with or without modification(s), the following as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and such other applicable provisions, rules as may be applicable (including statutory modification(s) or re-enactment(s) thereof for the time being in force), Smt. Poonam Acharya (holding DIN No.: 07238992) who was appointed as an Additional Director w.e.f. 24th July, 2015 by the Board of Directors of the Company, pursuant to the provision of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT Sri Raj Kumar Gupta CS & Compliance Officer and Sri Deepak Kothari, Chairman & Managing Director of the Company be and are hereby severally authorized to digitally sign & file necessary eForm with the concerned R.O.C. office in respect of the aforesaid appointment and to do, sign & execute all the necessary acts & documents in connection therewith.”

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

DATE : 11th August, 2015

**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. A PROXY FORM FOR THE MEETING IS ENCLOSED.

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.

3. The Register of Members of the Company shall remain closed from Thursday, 17th September, 2015 to Thursday, 24th September, 2015 (both days inclusive).

4. The Dividend for the year ended 31st March, 2015 as recommended by the Board, if approved by the members, will be paid to the physical members whose names appear in the Company's Register of Members after giving effect to all valid transfer requests in physical form lodged with the Company or its Registrar & Share Transfer Agent (RTA) on or before Wednesday, 16th September, 2015. In respect of shares held in electronic form, the dividend will be payable on the basis of their beneficial ownership as at the end of aforesaid date as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.

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.

5. Those Members who have not encashed/received their Dividend warrants for the financial years 2007-08 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).

6. 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 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 2007-08 WILL BE TRANSFERRED TO THE INVESTOR EDUCATION & PROTECTION FUND, AS PER THE PROVISIONS OF SEC.205A (5) OF THE COMPANIES ACT, 1956 IN OCTOBER, 2015. THE DIVIDEND FOR THE AFORESAID YEAR SHALL BE PAID ONLY ON RECEIPT OF REQUEST AND SATISFACTORY COMPLIANCE OF THE REQUISITE PROCEDURE

7. 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.

8. 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.
9. Members are requested to bring their copies of Annual Report at the meeting. Please note that no gifts will be distributed at the meeting.
10. 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.
11. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
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 clause 35B of the Listing Agreement, 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 Monday, 21st September, 2015 (9:00 A.M. IST) to Wednesday, 23rd September, 2015 (5:00 P.M. IST). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on Thursday, 17th September, 2015 (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.
13. The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. The detailed procedure of e-voting and instructions therefor have been mentioned on the back of the e-voting ballot form which is being sent to you along with this notice and they form an integral part of this notice.
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 or 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 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 and on the website of NSDL www.evoting.nsdl.com within 3 days of passing the resolutions at the Thirty first Annual General Meeting of the Company on Thursday, September 24th, 2015 and communicated to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited, where the shares of the Company are listed.

16. Pursuant to clause 49 of the Listing Agreement, particulars of Directors seeking appointment/re-appointment at this meeting are provided in the Corporate Governance Report forming part of the Annual Report.
17. 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.

EXPLANATORY STATEMENT PURSUANT TO SEC 102 OF THE COMPANIES ACT, 2013

ITEM NO.5

Smt. Poonam Acharya has been appointed as an Additional Director of the Company w.e.f. 24th July, 2015, by the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and pursuant to the provisions of the aforesaid Section she holds office only upto the date of the ensuing Annual General Meeting.

The Company has received a notice in writing alongwith requisite deposit u/s 160 of the Companies Act, 2013 from a member signifying his intention to propose candidature of Mrs. Poonam Acharya for being appointed as Regular Director of the Company, liable to retire by rotation, at the ensuing Annual General Meeting of the Company. The Company has received from Mrs. Poonam Acharya 1) her consent in writing to act as a Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Director) Rules 2014 and 2) intimation in form DIR 8 in terms of aforesaid rules to the effect that she is not disqualified under sub section (2) of section 164 of the Companies Act, 2013. A brief resume of Mrs. Poonam Acharya, nature of expertise in specific functional area, names of other public companies in which she holds Directorship and Membership/Chairmanship of the Committees of the Board of Directors and the particulars of the Shareholding as required by clause 49 of the Listing Agreement with the Stock Exchanges is mentioned in the Corporate Governance Report forming part of this Annual Report.

Further, the Board of Directors of the Company is of the opinion that the above referred Director fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for being appointed as a Director. The Board is of the opinion that her appointment if made, will prove beneficial for the development and growth of the Company.

The Board of Directors recommends resolution at item No. 5 of the Notice for your consideration and approval.

Except Mrs. Poonam Acharya, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the aforesaid resolution.

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

DATE : 11th August, 2015

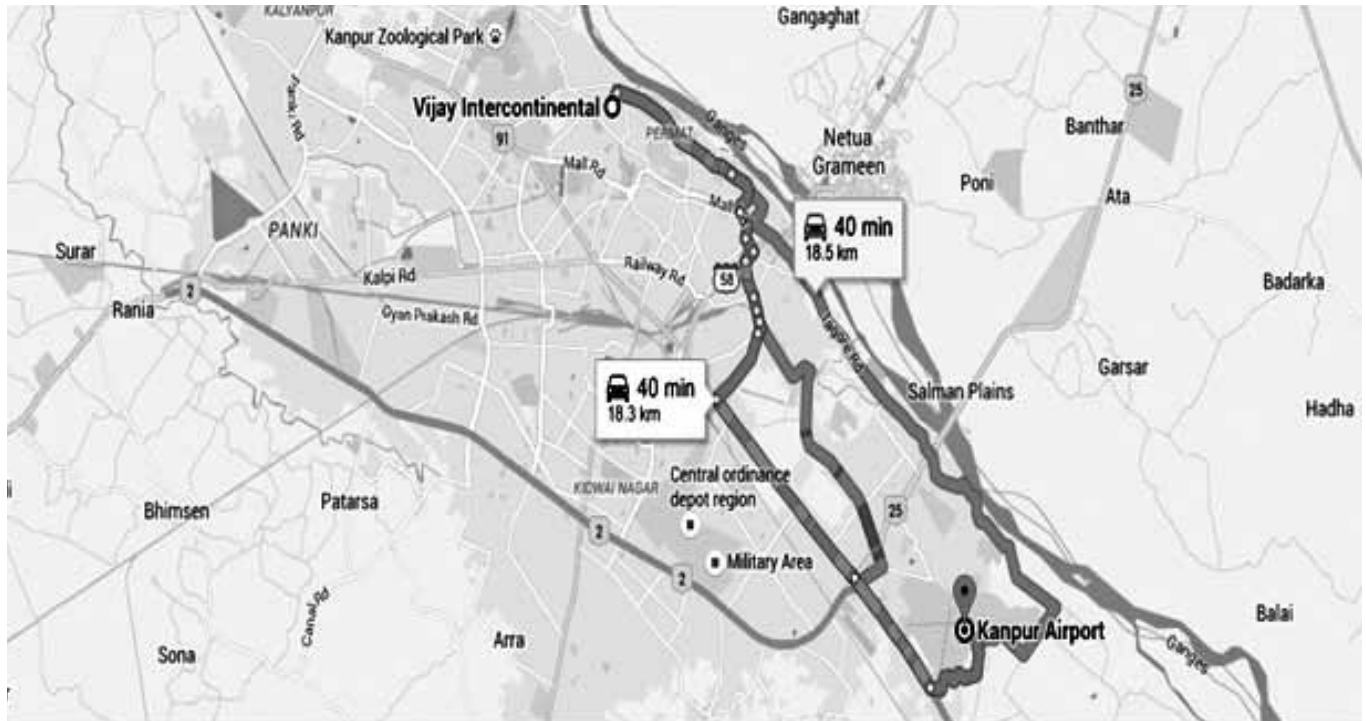
**By Order of the Board
for KOTHARI PRODUCTS LTD.**

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

Route Map No. 1 To the Venue of 31st Annual General Meeting



Route Map No. 2 to the Venue of 31st Annual General Meeting



DIRECTORS' REPORT

TO THE MEMBERS:

The Board of Directors of your Company presents herewith its 31st Annual Report and Audited Accounts for the financial year ended 31st March, 2015. 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 31.03.2015	FINANCIAL YEAR ENDED 31.03.2014
Net Sales:	452163	417192
Other Income	14427	15370
Profit before Depreciation & Taxation	7503	6485
Less : Depreciation	166	120
Provision for Taxation:		
-Current Tax	2496	2125
-Deferred Tax	-54	22
-Tax Adjustments for earlier years	-36	-11
Profit after Tax	4931	4229
Add : Balance of Profit brought forward from previous year	34409	31999
Profit available for appropriation	<u>39340</u>	<u>36228</u>

APPROPRIATIONS

Transfer to General Reserve	493	423
Proposed Dividend	1293	1194
Additional Tax on Proposed Dividend	259	203
Adjustment related to Fixed Assets	208	0
Balance of Profit carried forward	37087	34409
	<u>39340</u>	<u>36228</u>

2015 IN RETROSPECT

Your Directors are to report that the Company's sales turnover during the year under review has increased to Rs. 452163 Lacs from Rs.417192 Lacs during the previous financial year registering an increase of 8.38%. The Profit before depreciation & tax during the year has similarly increased to Rs. 7503 Lacs as against Rs. 6485 Lacs in the previous year resulting in increase of 15.70%. The Profit after Tax has also increased to Rs. 4931Lacs as against Rs. 4229 Lacs of the previous year resulting in increase of 17%. The Company was able to Capitalize on the market conditions through its operational excellence.

INTERNATIONAL BUSINESS :

The Company's export during the year under review has increased to Rs.436847Lacs as compared to Rs.385510 Lacs during the previous year resulting an increase of 13.32%.

DIVIDEND RECOMMENDED

Your Directors have recommended a dividend of 65% (Rs. 6.50/- per Equity Share of Rs. 10/- each) subject to approval of shareowners in the ensuing Annual General Meeting of the Company. The aforesaid Dividend is tax free in the hands of the shareowners.

SUBSIDIARIES AND ASSOCIATES

The Company has, as on 31st March, 2015 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, 2015, Seven Associate Companies as

mentioned in the Note No. 30 of the Standalone Financial Statements of the Company. During the year under review “Bhojeshwar Realtors Pvt. Ltd.” ceased to be an associate company and “Neelanchal Con-tech Pvt. Ltd”. became an associate company.

The prescribed salient features of the financial statements of the aforesaid subsidiary companies as per sub section 3 of section 129 of the Act have been disclosed in a separate statement attached to the consolidated Balance Sheet. 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

Sri Mitesh Kothari, Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

NUMBER OF THE BOARD MEETINGS

The Company held Seven Board Meetings during the year 2014-15 the details of aforesaid meetings are given in the Corporate Governance Report.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits 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, 2015, 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.

KEY MANAGERIAL PERSONNEL

During the year Sri Anurag Tandon, who was already Vice President (Accounts & Finance) of the Company, was re-designated as Chief Financial Officer of the Company. Sri Deepak Kothari & Sri Raj Kumar Gupta, Chairman & Managing Director and CS & Compliance Officer respectively of the Company were appointed as such before the Companies Act, 2013 come into force and they have also been re-designated as Key Managerial Personnel of the Company.

COMMITTEES OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and provisions of the Listing Agreement, 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 the Listing Agreement, 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.

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 qualification, 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, Mr Adesh Tandon of 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'.

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

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 listing agreement.

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 Clause 49 of the Listing Agreement is part of this Annual Report.

BOARD EVALUATION

Pursuant to provisions of the Companies Act, 2013 & clause 49 of the Listing Agreement, the Board has carried out an Annual performance evaluation of its own performance 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. All employees (Permanent, Contractual, Temporary, Trainees) are covered under this policy. There were no complaint received from any employee during the financial year 2014-15 and hence no complaint is outstanding as on 31.03.2015 for redressal.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The information, as required under clause 49 of the Listing Agreement, is as under :-

a) INDUSTRY STRUCTURE AND DEVELOPMENTS

As developed economies especially the U.S. made a gradual recovery, the global economy also registered a moderate growth. Overall global growth is expected to witness slow but steady revival over the next few years. Also the growth in the global economy remains irregular with the euro region still vulnerable and the slowdown in China due to lower investment by the government on fixed capital formation.

Indian economy has also led to steady revival, backed by a very determined government focused on clearing fundamental hurdles and increasing the ease of doing business. Further, Indian Economy is poised to return to its high growth path, thanks to lower fiscal and current account deficits, falling inflation, falling cost of capital and structural reforms to boost investments.

Further, almost stable currency market as compared to the previous year, contributed to stability in International Trade. "Make in India" initiative of the Indian Government is also expected to boost not only the growth of domestic industry but of the International Trade as well. Looking ahead, there is ample optimism about the International Trade to grow to high trajectory.

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) FINANCIAL PERFORMANCE

We have during the financial year registered growth in our sales in the International Trade division alongwith a growth in profitability as well. The Company's sales turnover during the year under review has increased to Rs. 452163 Lacs from Rs. 417192 Lacs during the previous financial year. The Profit before depreciation & tax during the year has also increased to Rs. 7503 Lacs as against Rs. 6485 Lacs in the previous year. The Profit after Tax has also increased to Rs. 4931 Lacs as against Rs. 4229 Lacs of the previous year due to negative forex variations. However, profitability of the Company has decreased in Real Estate segment from Rs.1247 Lacs to Rs.791 Lacs whereas in Trading items segment the profit has increased to Rs. 8007 Lacs from Rs. 7045 Lacs in the previous year. The segment wise financial performance of the Company has also been mentioned in the Notes on Accounts being part of this Annual Report.

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 formation of the new stable 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”.

f) 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.

g) 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, 2015 the Company had 51 employees on its roll.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 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) Additional Investments & Proposals, if any, being implemented for reduction of consumption of energy:

No such investment is proposed.

c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

These measures have led to consumption of energy more economically. Further, since there is no manufacturing activity in the Company, hence information on consequent impact on Cost of production is not applicable.

d) Form ‘A’ is not applicable to the company.

[B] TECHNOLOGY ABSORPTION:

Since there is no manufacturing activity in the Company hence the Company has not imported any technology. Accordingly, no R&D department exists in the company.

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO :

a)	Activities relating to exports; initiatives taken to increase exports; Development of new export markets for Trading Items and Export Plans	The Company’s trading items are being exported directly or through Merchant Exporters to various countries. This Year the Company got the opportunity to export Gold Jewellery to U.A.E. The Company is exporting minerals, metal products, Chemicals, Agri Products, Ceramic tiles etc. The Company is making continuous efforts to increase its exports to new markets.	
			(Amount in Lacs)
		CURRENT YEAR	PREVIOUS YEAR
b)	Earning in Foreign Exchange	436847	385510
c)	Expenditure in Foreign Currency	427590	384423
d)	Imports of goods for trading	427583	384410
e)	Purchase of Fixed Assets	NIL	NIL

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 provisions of clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31st March, 2015 is forming part of this Annual Report.

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 : 27th May, 2015

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 "Sharda Mansukhlal Kothari Charitable Trust". The aforesaid Trust has been registered as a Society. The aforesaid Trust has been focusing in the area of education and other objects of general public utility.

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, 2014 is Rs. 76,05,21,300.

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

The prescribed CSR expenditure for the year is Rs. 1,52,10,426 (2% of Rs. 76,05,21,300). Accordingly the Company has contributed Rs. 1,52,10,426 to "Sharda Mansukhlal Kothari Charitable Trust".

5. Details of CSR spent during the financial year

The Company has contributed an amount of Rs 1,52,10,426 being 2% of the average net profits for the 3 preceding financial years ended on 31.03.14. The Company has contributed the amount for the CSR activity to be undertaken through a registered trust having established track record of more than three years in undertaking similar programs or projects. The Company is in process of setting up a mechanism to monitor the activities undertaken by such trust and shall submit the relevant report in the ensuing year.

(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	1.52	Through Sharda Mansukhlal Kothari 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 : 27th May, 2015

ANNEXURE - 2 TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration 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, 2015**, 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, 2015** 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;
 - 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 Audit Period)**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable To The Company during the Audit Period)**
 - 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; **The Company has voluntarily delisted from UP Stock Exchange due to de-recognition of the Stock Exchange with effect from 28/11/2014. However, Company continues to be listed at NSE and BSE.**

- h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; **(Not applicable To The Company during the Audit Period)**
- vi) **We further report that**, as per management representation Letter for secretarial Audit, there are no specific laws applicable to the company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Secretarial Standards although notified are not applicable to the Company during the period under Audit as they are effective from 01/07/2015);**
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s);
During the period under review, the Company has complied with the provisions of the act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 have been carried out unanimously 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 have relied on the representations made by the company and its officers for the systems and mechanism formed by the company for compliances under other applicable laws/Acts/regulations to the company:-

- a) Labour laws and other incidental laws applicable to the company and employees related to wages, gratuity, bonus, maternity benefits, equal remuneration, PF/ESI, compensation, etc.
- b) Acts Prescribed under direct taxes/Indirect taxes.

We further report that during the audit period there were no instances of:

- i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc. However the company has allotted 1,32,63,940 equity shares of Rs. 10/- each by way of bonus issue on 3rd, April, 2014 by capitalization of general reserves.
- ii) Redemption / buy-back of securities.
- iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv) Merger / amalgamation / reconstruction, etc.
- v) Foreign technical collaborations.

**Adesh Tandon & Associates
Company Secretaries**

**Date: 27/05/2015
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 2014-15, Ratio of remuneration of each Director to Median Remuneration of Employees of the Company for the Financial Year 2014-15 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 2014-15 (Rs.)	% Increase in Remuneration in the Financial Year 2014-15	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	2,47,82,638	17.21%	62	Profit After tax increased by 17% for the Financial Year 2014-15
2.	Sri Mitesh Kothari, Executive Director	2,96,93,984	41.89%	74	
3.	Sri Raj Kumar Gupta, CS & Compliance Officer	7,19,580	15	2	
4.	Sri Anurag Tandon, C.F.O.	23,90,640	--NIL--	6	

2. The median remuneration of employees of the company during the financial year was Rs. 4,00,000.
3. In the financial year, there was an increase of 11% in the median remuneration of employees.
4. There were 51 permanent employees on the rolls of the Company as on 31st March, 2015.
5. Relationship between average increase in remuneration and Company performance:-
The Profit After tax increased by 17% for the Financial Year 2014-15 whereas the increase in median remuneration was 11%. The average increase in median remuneration was in line with the increase 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 27.72% from Rs. 4,50,87,376 in 2013-14 to Rs. 5,75,86,842 in 2014-15 whereas the profit after tax increased by 17% to Rs. 4931 Lacs in 2014-15 (Rs. 4229 Lacs in 2013-14).
7. (a) Variations in the market capitalization of the Company:
The market capitalization as on 31st March, 2015 was Rs.3993109137 (Rs. 1635775400 as on 31st March, 2014)
- (b) Price Earnings Ratio of the Company as at 31st March, 2015 and as at 31st March, 2014 : 8.10 and 3.87 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 226% in the market quotations of the shares of the Company (Rs. 217.40 as on 27th May, 2015 after Bonus Issue of 2:1 in 2014) as compared to the rate (Rs. 200) at which the Company came out with the last public offer.



8. Average percentage increase made in the salaries of employees other than the Managerial Personnel in the last financial year i.e. 2014-15 was 11% whereas increase in the Managerial Personnel remuneration was 29.55% 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 2014-15 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 : 27th May, 2015

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	24782638/-	Contractual	Graduate	07.09.1988	64/42	-----	46.02%
2.	Sri Mitesh Kothari	Executive Director / Management	29693984/-	-----do-----	MBA	01.04.2000	38/18	-----	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 : 27th May, 2015

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 31.03.2015

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	37.51
2	Wholesale Trading of Agri Products	4620	14.2
3	Wholesale Trading of Construction Materials (Tiles etc.)	4663	13.45

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, Bandra Kurla 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, Bandra Kurla 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	Hara Parvati Realtors Pvt. Ltd. 7 Chittaranjan Avenue, PS Bowbazar, Kolkata, 700072	U70101WB2006PTC108570	ASSOCIATE	25.50%	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	25.50%	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	
A. Promoters									
(1) Indian									
a) Individual/HUF	4239635	1000	4240635	63.94	12718905	3000	12721905	63.94	0
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	733333	0	733333	11.06	2199999	0	2199999	11.06	0
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	4972968	1000	4973968	75	14918904	3000	14921904	75	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	4972968	1000	4973968	75	14918904	3000	14921904	75	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	3267	0	3267	0.01	0.01
c) Cenntal 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	444	0	444	0.01	1670	0	1670	0.01	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	444	0	444	0.01	4937	0	4937	0.02	0.01

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions										
a)	Bodies corporates									
	i) Indian	998108	500	998608	15.06	2931623	1500	2933123	14.74	0.32
	ii) Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	473607	55175	528782	7.97	1441261	145200	1586461	7.97	0
	ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	66434	28700	95134	1.43	255328	86100	341428	1.72	0.29
c)	Others (specify)									
	NRI	35034	0	35034	0.53	108057	0	108057	0.54	0.01
SUB TOTAL (B)(2):		1573183	84375	1657558	24.99	4736269	232800	4969069	24.98	0.01
Total Public Shareholding (B)= (B)(1)+(B)(2)		1573627	84375	1658002	25	4741206	232800	4974006	25	0
C. Shares held by Custodian for GDRs & ADRs		0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)		6546595	85375	6631970	100	19660110	235800	19895910	100	0

(ii) SHARE HOLDING 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	631772	9.526	0	1895316	9.526	0	0
2	Avinash Gupta	500	0.008	0	1500	0.008	0	0
3	Deepak Kothari Jointly With Arti Kothari	3051916	46.018	0	9155748	46.018	0	0
4	Mitesh Kothari	135318	2.040	0	405954	2.040	0	0
5	Mitesh Kothari (HUF)	406244	6.126	0	1218732	6.126	0	0
6	Reeta Dilip Shah	1500	0.023	0	4500	0.023	0	0
7	Sadhna V Kothari	1000	0.015	0	3000	0.015	0	0
8	Sharda Mansukhlal Kothari	142	0.002	0	426	0.002	0	0
9	Urvi Kothari	12143	0.183	0	36429	0.183	0	0
10	Mansukhlal Mahadev Kothari	100	0.001	0	300	0.001	0	0
11	Dham Securities Pvt. Ltd.	733333	11.058	0	2199999	11.058	0	0
	TOTAL	4973968	75	0	14921904	75.000	0	0

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		Date wise Increase/ Decrease (Remarks if any)
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	Smt. Arti Kothari	631772	9.526	1895316	9.526	Shareholding increased by way of Bonus shares allotted on 03.04.2014
2	Dr. Avinash Gupta	500	0.008	1500	0.008	Shareholding increased by way of Bonus shares allotted on 03.04.2014
3	Sri Deepak Kothari Jointly with Smt. Arti Kothari	3051916	46.018	9155748	46.018	Shareholding increased by way of Bonus shares allotted on 03.04.2014
4	Sri Mitesh kothari	135318	2.04	405954	2.04	Shareholding increased by way of Bonus shares allotted on 03.04.2014
5	Mitesh Kothari (HUF)	406244	6.126	1218732	6.126	Shareholding increased by way of Bonus shares allotted on 03.04.2014
6	Reeta Dilip Shah	1500	0.023	4500	0.023	Shareholding increased by way of Bonus shares allotted on 03.04.2014
7	Sadhna V Kothari	1000	0.015	3000	0.015	Shareholding increased by way of Bonus shares allotted on 03.04.2014
8	Sharda Mansukhlal Kothari	142	0.002	426	0.002	Shareholding increased by way of Bonus shares allotted on 03.04.2014
9	Urvi Kothari	12143	0.183	36429	0.183	Shareholding increased by way of Bonus shares allotted on 03.04.2014
10	Mansukhlal Mahadev kothari	100	0.001	300	0.001	Shareholding increased by way of Bonus shares allotted on 03.04.2014
11	Dham Securities Pvt. Ltd.	733333	11.058	2199999	11.058	Shareholding increased by way of Bonus shares allotted on 03.04.2014
	TOTAL	4973968	75	14921904	75	

(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.	375581	5.663	1126743	5.663	Shareholding increased by way of Bonus shares allotted on 03.04.2014
2	U.V.Buildcon Pvt. Ltd.	135361	2.041	406079	2.041	Shareholding increased by way of Bonus shares allotted on 03.04.2014 & Transfer of 4 Shares (No date of transfer will be found because these shares are held in demat form)
3	K.Raheja Corp. Pvt. Ltd.	102826	1.55	308478	1.55	Shareholding increased by way of Bonus shares allotted on 03.04.2014
4	Sattva Developers Pvt. Ltd.	100000	1.508	300000	1.508	Shareholding increased by way of Bonus shares allotted on 03.04.2014
5	Vaishali Traders Pvt. Ltd.	89700	1.353	269100	1.353	Shareholding increased by way of Bonus shares allotted on 03.04.2014
6	UFLEX Ltd.	76200	1.149	228600	1.149	Shareholding increased by way of Bonus shares allotted on 03.04.2014
7	Vivek Mehrotra	28700	0.433	86100	0.443	Shareholding increased by way of Bonus shares allotted on 03.04.2014
8	Bharat K.Dalal	27015	0.407	70982	0.357	Shareholding increased by way of Bonus shares allotted on 03.04.2014 & Transfer of 10063 shares (No date of transfer will be found because these shares are held in demat form)
9	Adit Realty Pvt. Ltd.	20000	0.302	60000	0.302	Shareholding increased by way of Bonus shares allotted on 03.04.2014
10	Gopikishan Shivkishan Damani	15000	0.226	45000	0.226	Shareholding increased by way of Bonus shares allotted on 03.04.2014

(v) SHAREHOLDING OF DIRECTORS & KMP

Sl. No.	Name of Directors & KMP	Shareholding at the begning 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	3051916	46.02	9155748	46.02
2	Sri Mitesh Kothari	135318	2.04	405954	2.04
3	Smt.Arti Kothari	631772	9.53	1895316	9.53
4	Dr.Avinash Gupta	500	0.01	1500	0.01
5	Sri Pramod Kumar Tandon	Nil	Nil	Nil	Nil
6	Sri Vikas Chaturvedi	Nil	Nil	Nil	Nil
7	Sri Raj Kumar Gupta	0	0	0	0
8	Sri Anurag Tandon	0	0	0	0

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year	1,128,640,283.73	2,385,046.00	20,496,050.00	1,151,521,379.73
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	1,128,640,283.73	2,385,046.00	20,496,050.00	1,151,521,379.73
Change in Indebtedness during the financial year				
Additions	83,507,474.81	15,942,313.00	-	99,449,787.81
Reduction	-	-	-	-
Net Change				
Indebtedness at the end of the financial year	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				
Total (i+ii+iii)	1,212,147,758.54	18,327,359.00	20,496,050.00	1,250,971,167.54

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	1639422	6739422	8378844
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission as 3% of profit others (specify)	22011293	22011293	44022586
5	Others, please specify			
	Gratuity	51923	43269	95192
	Total (A)	24782638	29693984	54476622
	Ceiling as per the Act	Rs. 73398064 (Being 10% of the net profits of the Company calculated as per Sec. 198 of the Companies Act, 2013)		

B. Remuneration to other directors:

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 committee meetings	21000	0	21000	42000
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	Total (1)	21000	0	21000	42000
2	Other Non Executive Directors	Arti Kothari			
	(a) Fee for attending board committee meetings"	3000			3000
	(b) Commission	0	0	0	0
	(c) Others, please specify.	0	0	0	0
	Total (2)	3000	0	0	3000
	Total (B)=(1+2)	24000	0	21000	45000
	Ceiling as per the Act	Rs. 7339806 (Being 1% of the net profits of the Company calculated as per sec. 198 of the Companies Act, 2013).			
	Total Managerial Remuneration				54521622
	Overall Ceiling as per the Act.	Rs. 80737870 (Being 11% of the net profits of the Company calculated as per sec. 198 of the Companies Act, 2013).			

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS & Compliance Officer	CFO	
		Raj Kumar Gupta	Anurag Tandon	
1	Gross Salary			Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	712380	2390640	3103020
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	7200	0	7200
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	as % of profit	0	0	0
	others, specify	0	0	0
5	Others, please specify	0	0	0
	Total	719580	2390640	3110220

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

THERE WERE NO PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES FOR THE YEAR ENDING 31ST MARCH, 2015

For and on behalf of the Board

PLACE : KANPUR
DATE : 27th May, 2015

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 : 27th May, 2015

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 revised clause 49 of the Listing Agreements.

BOARD OF DIRECTORS

COMPOSITION

The Board of Directors of the Company comprises of two Executive & Non-Independent Directors, One Non Executive & Non Independent Director and three Non-Executive & Independent Directors as on 31st March 2015, in line with the stipulations laid by the Listing Agreement. 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, 2015 was as under:-

Name 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
Smt Arti Kothari	1	NIL	Non-Executive & Non-Independent Director	Director
Dr. Avinash Gupta	2	NIL	Independent & Non-Executive Director	Director
Sri Pramod Kumar Tandon	5	2	-do-	Director
Sri Vikas Chaturvedi	NIL	NIL	-do-	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 Clause 49 of the Listing Agreement, 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	7	Present
Sri Mitesh Kothari	7	1	Present
Smt Arti Kothari	7	1	-
Dr. Avinash Gupta	7	1	Present
Sri Pramod Kumar Tandon	7	7	Present
Sri Vikas Chaturvedi	7	7	Present

NO. OF MEETINGS HELD DURING THE YEAR & DATES

During the financial year 2014-15 Seven (7) Board Meetings were held. The dates on which the said Meetings were held are given below:

3rd April, 2014, 22nd May, 2014, 9th August, 2014, 18th September, 2014, 10th November, 2014, 23rd December, 2014 & 12th February, 2015.

AUDIT COMMITTEE

The composition of the Audit Committee of the Company as on 31st March, 2015 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	NIL
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 revised clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors, which broadly include:

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with Accounting Standards and Listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the Quarterly, Half Yearly and Annual financial statements before they are submitted to the Board of Directors, to review with the management the statement of uses/application of funds raised through an issue and the report submitted by the monitoring agency monetaring 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 as on 31st March, 2015 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 & Non Executive	1	1
2.	Dr. Avinash Gupta	Member	Independent & Non Executive	1	0
3.	Sri Vikas Chaturvedi	Member	Independent & Non Executive	1	1

The Committee's constitution and terms of reference are in compliance with the provisions of the Companies Act, 2013 & clause 49 of the Listing Agreement.

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

1. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and to recommend to the Board their appointment and removal.

2. Evaluation of every Director's performance.
3. To formulate criteria for determining qualifications, positive attributes and independence of the Directors.
4. To recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

Remuneration Policy of the Company, inter alia, 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	Mr. Deepak Kothari	Mr. Mitesh Kothari	Smt. Arti Kothari	Dr. Avinash Gupta	Mr. Pramod Kumar Tandon	Mr. Vikas Chaturvedi
Salary	10,80,000	9,00,000	-	-	-	-
Gratuity	51,923	43,269	-	-	-	-
Perquisites	16,39,422	67,39,422	-	-	-	-
Commission	2,20,11,293	2,20,11,293	-	-	-	-
Sitting Fees	-	-	3,000	-	21,000	21,000

STAKE HOLDERS RELATIONSHIP COMMITTEE

The Company has constituted stakeholders relationship committee pursuant to the provisions of sec.178 of the Companies Act, 2013 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 etc; as also requests for transmission of shares etc. Accordingly the Constitution of the Committee as on 31st March, 2015 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	3
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, 2015.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Only Smt. Arti Kothari and Dr. Avinash Gupta hold 1895316 & 1500 shares in the Company respectively. 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 and recommending to the Board a Corporate Social Responsibility Policy broadly indicating the activities to be undertaken by the Company that are mandatory in the implementation of the frame work 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, 2015 is same as mentioned above.

RISK MANAGEMENT COMMITTEE

The Company has constituted on 18th September, 2014, Risk Management Committee pursuant to the revised clause 49 of the Listing Agreement 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, 2015 is as under:-

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

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the Whistle blower to report any unethical or improper practice (not necessary violation of law) and to define processes for receiving and investigating complaints. The company has assigned the email ID- 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 Practises 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 Clause 49 (III) of the Listing Agreement, 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 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
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
28th AGM	21st September, 2012	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
30th	1
29th	3
28th	NIL

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.

At the 28th Annual General Meeting held on September 21st, 2012, no Special Resolution was passed.

None of the items transacted at the last Annual General Meeting held on 19th September, 2014 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 2014-15, the company had no materially significant related party transactions which may have potential conflict with the interests of the company at large.
- 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.
- 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.

MEANS OF COMMUNICATION

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

RECONCILIATION OF SHARE CAPITAL AUDIT

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

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

- The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as on 31st March, 2015.
- Adoption of non-mandatory requirements as at 31st March, 2015

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.

c) Audit Qualifications

The Auditors have issued an unqualified opinion for the year ended 31st March, 2015.

d) Reporting of Internal Auditor

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

GENERAL SHAREOWNER INFORMATION

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

(in pursuance of clause 49 (VI) (A) of the Listing Agreement)

Name of Director	Mitesh Kothari	Poonam Acharya
Date of Birth	26/08/1976	23/07/1968
Date of Appointment	19/09/2014	24/07/2015
Qualification	MBA	M.Com, B.Ed.
Expertise In Specific Functional Areas	He has got rich business experience in almost all the functional areas of the Company.	She has rich teaching experience and general business experience.
Directorships Held in Other Companies*	Sukhdham Constructions & Developers Pvt. Ltd. Pan Parag India Ltd. KPL Exports Pvt. Ltd. Warasgaon Lake View Hotels Ltd. Riverview Land Developers Pvt. Ltd. Blackplinth Realtors Pvt. Ltd.	NIL
Committee Positions Held In Other Company #	NIL	NIL

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

In accordance with Clause 49 of the Listing Agreement, Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees in all public limited companies (excluding Kothari Products Limited) have been considered.

ANNUAL GENERAL MEETING

- DATE : 24th September, 2015
- TIME : 11:30 A.M.
- VENUE : Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave-3, Kanpur
- **Dates of Book Closure** : From Thursday, 17th September 2015 to Thursday, 24th September 2015.
- **Dividend Payment Date** : Dividend will be paid latest by 10th October, 2015.
- **Stock Exchanges where the shares are listed** :
Bombay Stock Exchange Ltd., Mumbai & National Stock Exchange of India Ltd., Mumbai Stock Code : 530299 on Bombay Stock Exchange, Kothari Pro-Series-EQ. : National Stock Exchange of India Ltd

FINANCIAL CALENDER

(1st April, 2015 to 31st March, 2016)

Results for the first quarter ending 30.06.2015	On or before 14th August, 2015
Results for the second quarter & half year ending 30.09.2015	On or before 14th November, 2015
Results for the third quarter ending 31.12.2015	On or before 14th February, 2016
Results for the fourth quarter & year ending 31.03.2016	On or before 30th May, 2016

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

MONTH	HIGH (Amount in Rs.)	LOW (Amount in Rs.)
APRIL 2014	272	190.9
MAY 2014	236.85	190.1
JUNE 2014	255.9	197.4
JULY 2014	239	205
AUGUST 2014	307	212
SEPTEMBER 2014	294	236.4
OCTOBER 2014	274	218.7
NOVEMBER 2014	253.75	212
DECEMBER 2014	283.3	212
JANUARY 2015	256.6	225.75
FEBRUARY 2015	233	212.5
MARCH 2015	222	187.1

REGISTRAR AND TRANSFER AGENT AND SHARE TRANSFER SYSTEM

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

• DISTRIBUTION OF SHAREHOLDING

The Shareholding distribution of equity shares as on 31st March, 2015 is given below:

No. of Equity shares held	No. of Shareowners		No. of Shares held in		% of Equity Capital held in		Total Shareholding Physical & Demat
	No. of Shareowners	% of Shareowners	Physical form	Demat Form	Physical Form	Demat form	
1 – 500	6461	90.08	87000	685417	0.44	3.44	772417
501 - 1000	369	5.151	9900	256607	0.05	1.29	266507
1001 - 5000	286	3.990	45900	538912	0.23	2.71	584812
5001 - 10000	19	0.265	6900	125743	0.03	0.63	132643
10001 - 20000	7	0.098	0	96815	0	0.49	96815
20001 - 30000	0	0	0	0	0	0	0
30001 - 40000	3	0.042	0	98101	0	0.49	98101
40001 - 50000	5	0.07	0	212784	0	1.07	212784
50001 - 100000	3	0.042	86100	130982	0.43	0.66	217082
100001 - 500000	6	0.084	0	1918211	0	9.64	1918211
500001 - Above	5	0.07	0	15596538	0	78.4	15596538
Total	7164	100	235800	19660110	1.18	98.82	19895910

Shareholding Pattern of the Company as on 31st March, 2015:

Category	No. of Shares Held	% of Holding
Promoters & Promoter Group	14921904	75
Indian Public – Individuals	1927889	9.69
Indian Public - Corporate Bodies	2933123	14.74
Indian Public – Financial Institutions/ Banks	3267	0.02
Foreign Holding	109727	0.55
(i) FII	1670	0.01
(ii) NRI(s)	108057	0.54
Total	19895910	100.00

• **DEMATERIALISATION OF SHARES AND LIQUIDITY**

Nearly 98.82% of total Equity Share Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2015. 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.

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**

- 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@kothariproductions.in

- 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

- 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, for the year ended on 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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 clause of the Listing Agreement.

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 : 27th May, 2015

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, 2015, compliance with the code of conduct of the Company laid down for them.

Sd/-
(Deepak Kothari)
Chairman & Managing Director

PLACE : KANPUR
DATE : 27th May, 2015



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, 2015 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 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, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of 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 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.

Sd/-
(Deepak Kothari)
Chairman & Managing Director

Sd/-
(Anurag Tandon)
Chief Financial Officer

Place : Kanpur
Date : 27th May, 2015

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Kothari Products Limited

Report on the Financial Statements

We have audited the accompanying financial statements of KOTHARI PRODUCTS LIMITED ("the Company") which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards referred to in Section 133 of the Companies Act, 2013 (the Act") read with Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the 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 disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- (b) in the case of Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) in our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books.
 - (c) The Balance sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.



- (d) in our opinion, Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rule, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 and taken on records by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act.

Place: Kanpur
Date : 27th May, 2015

For MEHROTRA & MEHROTRA,
Firm Registration No.000226C
CHARTERED ACCOUNTANTS,
(Vivek Kumar)
PARTNER
Membership No. 408227

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) According to the information and explanations given to us, these fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
 - (c) The disposal of fixed assets has been done in the normal course of business and it has not affected the going concern.
- (ii) In respect of Inventories:
 - (a) The inventories have been physically verified during the year by the management, except for stocks lying with third parties, which have, however, been confirmed by them. 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 account.
- (iii) In respect of Loans & Advances:
 - (a) The Company has given unsecured loans to its six subsidiary companies, two associate Companies and one enterprise over which Key Managerial Personnel are able to exercise significant influence. Total year end balances of unsecured loans given to subsidiary companies, associate companies and enterprise over which Key Managerial Personnel are able to exercise significant influence were Rs.22899 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 four wholly owned subsidiary Companies) and other terms & conditions of the loan given by the 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.183 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, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of stocks and fixed assets, for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) The Company has not accepted any deposits from the public. Therefore, reporting under clause 3(v) of the Companies (Auditors' Report) Order, 2015 is not applicable to the Company.
- (vi) The maintenance of cost records as prescribed by the Central Government under sub-section (1) of section 148 of the Act are not applicable to the Company.
- (vii) In respect of statutory dues:
 - (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, 2015 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, 2015.
- (viii) Company does not have any accumulated losses and it has not incurred cash losses during the financial year and immediately preceding financial year.
- (ix) As per information and explanations given by the management, in our opinion the Company has not defaulted in repayment of loan taken from financial institutions or banks.
- (x) The Company has given guarantees for loans taken from banks and financial institutions by its subsidiary companies, associate companies and other company. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- (xi) The Company has not taken any term loan during the year.
- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Kanpur
Date : 27th May, 2015

For MEHROTRA & MEHROTRA,
Firm Registration No.000226C
CHARTERED ACCOUNTANTS,
(Vivek Kumar)
PARTNER
Membership No. 408227

BALANCE SHEET AS AT 31st MARCH, 2015

	NOTE	As at 31.03.2015 (Amount in ₹ Lacs)	As at 31.03.2014 (Amount in ₹ Lacs)
I. EQUITY AND LIABILITIES			
(1) Shareowners' Funds			
(a) Share Capital	2	1990	663
(b) Reserves and Surplus	3	72165	70320
(2) Non-Current Liabilities			
Deferred Tax Liabilities (Net)	4	41	95
(3) Current Liabilities			
(a) Short Term Borrowings	5	12305	11310
(b) Trade Payables	6	222615	181933
(c) Other Current Liabilities	7	69470	45023
(d) Short Term Provisions	8	9372	9122
Total		387958	318466
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
- Tangible Assets	9	2397	2518
(b) Non-current Investments	10	17720	16275
(c) Long Term Loans and Advances	11	10374	10755
(2) Current Assets			
(a) Current Investments	12	139305	135111
(b) Inventories	13	6813	7912
(c) Trade Receivables	14	180853	124019
(d) Cash and Cash Equivalents	15	3813	6333
(e) Short Term Loans and Advances	16	26683	15543
Total		387958	318466
Significant Accounting Policies	1		
Notes are an integral part of the financial statements.	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 : 27th May, 2015

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

	NOTE	For the Year Ended 31.03.2015 (Amount in ₹ Lacs)	For the Year Ended 31.03.2014 (Amount in ₹ Lacs)
I. REVENUE FROM OPERATIONS :			
Revenue From Operations	17	464816	430265
Other Income	18	1774	2297
Total Revenue		466590	432562
II. EXPENSES :			
Purchases of Stock-in-trade	19	442118	398222
Increase (-) / Decrease (+) in Inventories of Stock-in-trade	20	1099	-624
Employee Benefit Expenses	21	204	191
Finance Cost	22	1461	1927
Depreciation and Amortization Expenses	9	166	120
Other Expenses	23	14205	26361
Total Expenses		459253	426197
III. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS :			
		7337	6365
(There is no discontinuing operation)			
Less : Tax Expenses :			
1) Current Tax		2496	2125
2) Deferred Tax		-54	22
3) Excess Provision of Income tax for Earlier Year (Net)		-36	-11
IV. PROFIT FOR THE YEAR :			
		4931	4229
V. BASIC & DILUTED EARNING PER SHARE (in Rs.) :			
(a) Basic (Refer Note No. 31)		24.79	21.26
(b) Diluted (Refer Note No. 31)		24.79	21.26
Significant Accounting Policies	1		
Notes are an integral part of the financial statements	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 : 27th May, 2015

(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-cancellable lease agreements for a specified period are renewable at the option of the lessee/licensee at mutually agreed term.
- (iv) The aggregate lease rentals receivable for the year is credited to the Statement of Profit & Loss as Rental Income.

1.4. 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 & 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 & 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 & 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 & 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 & 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.

1.13. 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.

1.14. 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 in receiving the same.

As at
31.03.2015
(Amount in ₹ Lacs)

As at
31.03.2014
(Amount in ₹ Lacs)

Note : 2

Share Capital

Authorised :

21000000 Equity Shares of Rs.10/- each 2100 2100

Issued, Subscribed And Paid up :

19895910 (6631970) Equity Shares of Rs.10/- each fully paid up 1990 663

TOTAL 1990 663

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.

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

	As at 31.03.2015		As at 31.03.2014	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
Equity Shares of Rs.10/- each fully paid up:-				
Opening Balance	6631970	663	6631970	663
Bonus Issue	13263940	1327	0	-
Closing Balance	19895910	1990	6631970	663

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

Class of shares/Name of shareowners	As at 31.03.2015		As at 31.03.2014	
	Number of shares held	Holding %	Number of shares held	Holding %
Equity Share of Rs.10/- each fully paid up:-				
a) Mrs. Arti D Kothari	1895316	9.53%	631772	9.53%
b) Mr. Deepak Kothari jointly with Mrs. Arti D Kothari	9155748	46.02%	3051916	46.02%
c) Mitesh Kothari (HUF)	1218732	6.13%	406244	6.13%
d) Dham Securities Pvt Ltd	2199999	11.06%	733333	11.06%
e) Magnus Properties Pvt Ltd	1126743	5.66%	375581	5.66%

As at
31.03.2015
(Amount in ₹ Lacs)

As at
31.03.2014
(Amount in ₹ Lacs)

Note : 3

Reserves and Surplus

(a) Preference Shares Redemption Reserve

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

(b) General Reserve

As per last Balance Sheet	35908	35485
Add : Transferred from Statement of Profit & Loss	493	423
Less : Utilised during the year for issue of Bonus Shares	1323	0
Closing balance	35078	35908

	As at 31.03.2015 (Amount in ₹ Lacs)	As at 31.03.2014 (Amount in ₹ Lacs)
(c) Statement of Profit & Loss - As per account annexed		
As per last Balance Sheet	34409	31999
Add : Profit for the year	4931	4229
	<u>39340</u>	<u>36228</u>
Less-Appropriations		
Transfer to General Reserve	493	423
Proposed Dividend on Equity Shares	1293	1193
Provision for Tax on Proposed Dividend	259	203
Adjustment related to Fixed Assets (Refer Note No.36)	208	0
Closing balance	<u>37087</u>	<u>34409</u>
TOTAL	<u>72165</u>	<u>70320</u>

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

41	107
----	-----

Deferred Tax Assets

Arising due to diminution in value of Current Investment

0	-12
---	-----

TOTAL	<u>41</u>	<u>95</u>
--------------	------------------	------------------

Note : 5

Short Term Borrowings

5 (a) Secured:

Overdraft against fixed deposit receipts from Nationalised Banks

11024	6832
-------	------

Cash Credit Limits from Nationalised Banks

94	123
----	-----

Export Packing Credit Limits from Nationalised Banks

1004	4331
------	------

TOTAL	<u>12122</u>	<u>11286</u>
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5(a)(i) Description of the Security Given:

Bank of India:

Prime Securities:

First pari passu charge by way of Hypothecation of Stocks and book debts.

Collateral Securities:

Exclusive charge by way of equitable mortgage of Property at Bengaluru owned by other Company. Personal guarantee of two directors. Corporate guarantee by other company.

Allahabad Bank:

Prime Securities:

Hypothecation charge on current assets of the company both current and future, ranking pari passu with other multiple bankers.

Collateral Securities:

Fixed Deposit worth Rs. 1400 lacs, equitable mortgage of property at Noida and personal guarantee of two directors.

Canara Bank:

Prime Securities:

Hypothecation of Stocks, Book Debts and other current assets (existing and future)

Collateral Securities:

Collateral Securities: Equitable mortgage of property at Bengaluru owned by another company. Fixed Deposit of Rs. 403 lacs, personal guarantee of two directors and corporate guarantee by a wholly owned Subsidiary Company and by two other companies.

Punjab National Bank:

Prime Securities:

Hypothecation charge on entire current assets of the company , both present & future, ranking pari passu with other lenders under multiple banking

Collateral Securities:

Equitable mortgage of property at Bengaluru owned by wholly owned subsidiary and Equitable mortgage of another property at Pune. Personal guarantee of two directors and Corporate guarantee by a wholly owned subsidiary company.

UCO Bank:

Prime Securities:

First pari passu charge by way of hypothecation on the entire movable fixed and current assets of the company (both current and future) with existing Working Capital lenders.

Collateral Securities:

Rs. 300 lacs by way of collateral in the form of Fixed Deposit Receipt. Personal guarantee of two directors.

Indian Overseas Bank:

Prime Securities:

First paripassu charge on stock and all other current assets.

Collateral Securities:

Fixed Deposit worth Rs. 295 lacs, equitable mortgage of property at Bengaluru owned by other company and personal guarantee of two directors. Corporate guarantee by one other company.

State Bank of India:

Prime Securities:

First pari passu charge on entire current assets of the company both current and future.

Collateral Securities:

Mutual Fund worth Rs.1715 lacs and personal guarantee of two directors.

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

5(a)(iii) During the year the company availed various credit facilities from the above banks under the multiple banking arrangement. However, for the business convenience, the company has started the process to adhere to the consortium arrangement to meet its credit requirements. The major lender i.e. Allahabad Bank has accepted to be the lead bank of the consortium.

	As at 31.03.2015 (Amount in ₹ Lacs)	As at 31.03.2014 (Amount in ₹ Lacs)
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5(b) Unsecured:

Loans and Advances from Related Parties

From Directors	<u>183</u>	<u>24</u>
TOTAL	<u>183</u>	<u>24</u>
GRAND TOTAL	<u>12305</u>	<u>11310</u>

Note : 6

Trade Payables

Trade Payables (including acceptances)	<u>222615</u>	<u>181933</u>
TOTAL	<u>222615</u>	<u>181933</u>

Note : 7

Other Current Liabilities

Advance Against Orders	<u>68670</u>	44242
Due to Directors	<u>4</u>	30
Unpaid/ Unclaimed Dividend	<u>20</u>	21
Security Deposit Receipt	<u>205</u>	205
Statutory Liabilities	<u>34</u>	25
Outstanding Liabilities	<u>537</u>	500
TOTAL	<u>69470</u>	<u>45023</u>

As at
31.03.2015
(Amount in ₹ Lacs)

As at
31.03.2014
(Amount in ₹ Lacs)

Note : 8

Short Term Provisions

Provision for Taxation	7820	7726
Proposed Dividend	1293	1193
Tax on Proposed Dividend	259	203
TOTAL	9372	9122

NOTE : 9

Fixed Assets

(Amount in ₹ Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.14	Additions	Transfer	As at 31.03.15	Up To 31.03.14	For the Adjustment year	Up To 31.03.15	As at 31.03.15	As at 31.03.14	
Tangible Assets										
Freehold Land	251	0	0	251	251	0	0	0	0	
Leasehold Land*	510	0	0	510	0	0	0	510	510	
Building (Office)	1253	0	0	1253	101	89	0	1063	1152	
Motor Cars/Scooter	864	291	137	1018	411	88	-8	511	453	
Computers	25	1	0	26	22	-11	-11	4	3	
Office Equipment	129	0	0	129	46	-6	-80	9	83	
Temporary Structure	77	0	0	77	77	0	0	0	0	
Furniture & Fixture	37	0	0	37	12	1	-11	13	25	
Building (Godown)	297	0	0	297	5	5	0	287	292	
TOTAL	3443	292	137	3598	925	166	-110	2397	2518	
Previous Year	3129	397	83	3443	857	120	52	2518		

*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 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014

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	0	2	0
Alstom India Ltd of Rs.10/-	38005	38005	281	281
Bajaj Corp Ltd. of Re.1/-	23944	25000	65	68
Bajaj Finance Limited of Rs.10/-	600	3262	7	38
Bata India Ltd of Rs.10/-	0	1000	0	9
Bombay Rayon Fashions Ltd of Rs.10/-	0	488461	0	1120
Camson Biotechnologies Ltd of Rs.10/-	10000	43000	6	26
Cummins India Ltd of Rs.2/-	29894	29950	0	0
IDFC Limited of Rs.10/-	94500	94500	165	165
Jammu & Kashmir Bank Ltd. of Re.1/-	22500	0	31	0
J M Financial Ltd. of Re.1/-	7500	0	3	0
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	0	30	0
Mandhana Industries Ltd of Rs.10/-	0	4575	0	11
Man Industries (India) Ltd. of Rs.5/-	5000	0	4	0

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Marico Ltd of Re.1/-	60500	60500	136	136
Marico Kaya Enterprises Ltd. of Rs.10/-	1210	1210	0	0
Motherson Sumi Systems Ltd of Re.1/-	2000	2000	2	2
Nakoda Limited of Rs.5/-	20000	0	2	0
Omaxe Ltd. of Rs.10/-	3000	0	5	0
Rallis India Ltd of Re.1/-	30000	33000	46	51
Reliance Industries Ltd. of Rs.10/-	25500	14500	225	128
Stampede Capital Limited of Rs.10/-	95000	200000	83	175
State Bank of India of Re.1/-	150	15	0	0
Dhanlaxmi Bank Limited of Rs.10/-	215000	215000	359	359
Karur Vysya Bank Ltd. of Rs. 10/-	45000	45000	143	143
Triveni Turbine Ltd. of Re.1/-	12500	17500	7	10
Uflex Ltd. of Rs. 10/-	492056	492056	498	498
Usha Martin Ltd. of Re.1/-	10000	0	4	0
Whirlpool of India Ltd. of Rs.10/-	96000	110000	299	345
Zylog Systems Ltd. of Rs.5/-	90000	90000	252	252
Aggregate Cost	TOTAL (A)		2750	3912
Aggregate Market Value			3363	3071
B. Unquoted				
I. Non-trade				
(a) Capital Contribution in India Growth Fund			320	343
(b) Application Money for Shares			2936	3036
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/-	2000000	2000000	100	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
Savitrinata 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				
Bhojeswar Realtors Private Ltd. of Rs.10/-	0	10000	0	1
Hara Parvati Realtors Pvt. Ltd. of Rs. 10/-	12750	12750	1	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/-	127500	127500	13	13
Sattva Realtors Pvt Ltd of Rs.10/-	12500	10000	1	1
Neelanchal Con-tech Private Limited of Rs.10/-	10000	0	1	0
(d) Investment in Preference Shares of other companies, each fully paid-up of Rs.10/- each				

NOTE : 10 CONTINUED

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
0.001% Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1621271	1493670	2770	2458
0.001% Optionally Convertible Redeemable Preference Shares of Hara Parvati Realtors Pvt. Ltd.	849233	849233	591	591
(e) Investments in Debentures of other subsidiary Companies				
1% Redeemable Non Convertible Debentures of Savitrimata Realtors Private Limited	241800	0	2418	0
(f) Others				
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
C. Investment in immovable property			251	251
TOTAL (B)			14970	12363
TOTAL (A+B)			17720	16275
		As at 31.03.2015		As at 31.03.2014
		(Amount in ₹ Lacs)		(Amount in ₹ Lacs)

Note : 11

Long Term Loans and Advances (Unsecured, Considered Good)

(a) Security Deposits		8	8
(b) Loans & Advances to related parties			
(i) Loans to Associate Companies/Enterprises over which KMP are able to exercise significant influence		3306	3027
(ii) Loans to Subsidiaries:-			
- Sukhdham Constructions & Developers Ltd.		663	721
- Savitrimata Realtors Pvt. Ltd.		174	2490
- Riverview Land Developers Pvt. Ltd.		1506	1201
- M.K. Web Tech Pvt. Ltd.		209	434
- Blackplinth Realtors Pvt. Ltd.		2298	713
(c) Other Loans & Advances			
- Advances for Properties		67	67
- Loans to Others		2143	2094
TOTAL		10374	10755

	Quantity (Nos.)		Amount in ₹ Lacs	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
Note : 12				
Current Investments				
(A) Mutual Funds (units, each, fully paid up)				
HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Weekly Dividend of Rs.10/-	151182.402	142942.550	15	14
Reliance Liquidity Fund-Growth Plan Growth Option of Rs.1000/-	0.000	33766.258	0	639
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	0.000	100	0
Aggregate Cost			1830	2368
Less: Provision for diminution in value			0	35
	(A)		1830	2333
Aggregate Market Value			2018	2347
(B) Fixed Deposit Accounts (Including interest accrued but not due) **	(B)		137475	132778
	(A)+(B)		139305	135111

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

	As at 31.03.2015 (Amount in ₹ Lacs)	As at 31.03.2014 (Amount in ₹ Lacs)
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Note : 13

Inventories

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

Trading Items	1670	2861
Real Estate (Work-in-progress)	5143	5051
TOTAL	6813	7912

Note : 14

Trade Receivables (Unsecured Considered good)

(a) Debts outstanding for over six months	5917	7684
(b) Other debts	174936	116335
TOTAL	180853	124019

Note : 15

Cash & Cash Equivalent

Cash & Bank Balances:

(a) Cash in hand and in transit	87	86
(b) Cheques in hand	2400	2401
(c) Balances with Scheduled Banks		
(i) In Current Accounts & E E F C Accounts	791	3708
(ii) In Unclaimed Dividend accounts	20	21
(iii) In Fixed Deposit Accounts (Including interest accrued but not due)	515	117
TOTAL	3813	6333

	As at 31.03.2015 (Amount in ₹ Lacs)	As at 31.03.2014 (Amount in ₹ Lacs)
Note : 16		
Short Term Loans and Advances (Unsecured Considered Good)		
Loans & Advances to related parties		
Due from KPL Exports Pvt. Ltd., A Wholly Owned Subsidiary	14743	4301
Advance Income Tax and Tax Deducted at Source	9119	8950
Other Loans & Advances		
-Advance recoverable in cash or in kind or for value to be received or pending adjustments	2821	2292
TOTAL	<u>26683</u>	<u>15543</u>
	For the Year Ended 31.03.2015 (Amount in ₹ Lacs)	For the Year Ended 31.03.2014 (Amount in ₹ Lacs)
Note : 17		
Revenue from Operations		
(a) Sales of Traded Goods	452163	417192
(b) Other Operating Revenues		
(i) Interest Earned on Bank Deposits held for Business Purposes	11857	11445
(ii) Rental Income	397	397
(iii) Miscellaneous Income	399	1231
TOTAL	<u>464816</u>	<u>430265</u>
Note : 18		
Other Income		
(a) Dividend Income (Gross)	38	57
(b) Interest on Loans to Subsidiaries	1077	1415
(c) Interest on Other Loans & Advances	562	541
(d) Profit on Sale of Investments	97	284
TOTAL	<u>1774</u>	<u>2297</u>
Note : 19		
Purchases of Stock-in-trade		
Purchases of Traded Goods	442118	398222
TOTAL	<u>442118</u>	<u>398222</u>
Note : 20		
Increase (-) / Decrease (+) in Inventories of Stock-in-trade		
Opening Stock :		
Trading Items	2861	2145
Real Estate (Work-in-progress)	5051	5143
	<u>7912</u>	<u>7288</u>
Closing Stock :		
Trading Items	1670	2861
Real Estate (Work-in-progress)	5143	5051
	<u>6813</u>	<u>7912</u>
	<u>1099</u>	<u>-624</u>

For the Year Ended
31.03.2015
(Amount in ₹ Lacs)

For the Year Ended
31.03.2014
(Amount in ₹ Lacs)

Note : 21

Employee Benefit Expenses

Salaries, Wages and Bonus	115	114
Contribution to Provident and other Funds	7	5
Gratuity	6	2
Staff welfare and Other Expenses	76	70
TOTAL	204	191

Note : 22

Finance Cost

Interest Cost	1461	1927
TOTAL	1461	1927

Note : 23

Other Expenses

Electricity Expenses	65	59
Bank Charges	1951	1863
General Insurance	16	12
Transit Insurance	3	4
Rent	143	151
Rates & Taxes	1	1
Loss on Foreign Currency Transactions and Translation	9013	20147
Repairs :		
Building	33	42
Others	38	22
Selling & Distribution Expenses	32	51
Travelling & Conveyance	136	145
Miscellaneous Expenses	2156	3450
Corporate Social Responsibility Expenses	152	0
Loss on Sale of Fixed Assets	3	9
Payment to Auditors :		
Statutory Audit Fee	2	2
Tax Audit Fee	1	1
Directors' Remuneration	20	20
Directors' Commission	440	382
Directors' Sitting Fee	0	0
TOTAL	14205	26361

	As at 31.03.2015	As at 31.03.2014
Note : 24		
Contingent Liabilities :		
24.1 Corporate Guarantees issued by the Company to certain banks on behalf of one of its subsidiary	31423	29449
	(USD 49.5 Million)	(USD 49 Million)
24.2 Corporate Guarantee issued by the Company to Nationalised banks on behalf of associate companies	26000	26000
24.3 Corporate Guarantee issued by the Company to Nationalised banks on behalf of one of its wholly owned subsidiary	42500	20500
24.4 Other Corporate Guarantee issued by the Company to a Nationalised bank	3000	0
	For the Year Ended 31.03.2015 (Amount in ₹ Lacs)	For the Year Ended 31.03.2014 (Amount in ₹ Lacs)
Note : 25		
Value of Imports (C.I.F. Basis)		
Stock-in-trade	427583	384410
Note : 26		
Expenditure in Foreign Currency		
Travelling Expenses	7	13
Import of Goods- Trading Items	427583	384410
Note : 27		
Earning in Foreign Currency		
Export of goods on F.O.B. Basis	436847	385510
Note : 28		
Payment to Auditors		
(a) As Auditors	2	2
(b) For Tax Audit	1	1
Note: 29		
Segment Information (Information about Business Segments) :		
29.1. The Company operates in two business segments-		
(a) Trading Items		
(b) Real estate etc		
29.2. Segment Information are as under-		
(A) Segment Revenue (Net Sales/ Income)		
(a) Trading Items	465236	430770
(b) Real Estate etc.	1351	1782
	466587	432552
(B) Segment Results [Profit(+)/ Loss(-) Before Tax]		
(a) Trading Items	8007	7045
(b) Real Estate etc.	791	1247
Net Profit Before Interest	8798	8292
(c) Interest Expenses	1461	1927
(d) Unallocated Expenses	0	0
Net Profit Before tax	7337	6365

	As at	As at
(C) Capital Employed (Segment Assets - Segment Liabilities)	31.03.2015	31.03.2014
(a) Trading Items	42659	41177
(b) Real Estate etc.	31496	29806
(Capital employed is net of inter-segmental transfer)		
	<u>74155</u>	<u>70983</u>

Note:30

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	(e) Smt. Hemani Gowani	(i) Smt. Urvi Kothari
(b) Shri Mitesh Kothari - Executive Director	(f) Smt. Arti Kothari	(j) Shri Raj Kumar Gupta- CS & Compliance Officer
(c) Shri M.M. Kothari	(g) Smt. Reeta Shah	(k) Shri Anurag Tandon- CFO
(d) Smt. Sharda M. Kothari	(h) Mitesh Kothari HUF	

(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 Ltd.

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

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

(II) Indirect Subsidiary:

- Pinehills (Singapore) Pte Limited, 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	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Directors'/KMP Remuneration etc.	491	432	0	0	0	0
On Account of Expenses	13	12	62	62	100	107
On Account of Interest on Loan Taken	19	34	0	0	0	0
On Account of Income - Rent	0	0	12	12	1	1
Interest Income on Loan Given	0	0	341	276	1077	1415
Interest Received on Debentures	0	0	15	8	12	0
Investment in Shares During the year	0	0	312	1067	0	0
Investment in Debentures During the year	0	0	0	1200	2418	0
Sale of Investment	0	0	0	463	0	0
Dividend Paid	763	848	132	147	0	0
Corporate Guarantees issued and outstanding as on date	0	0	26000	26000	73923	49949
Outstanding (Payable)	187	52	0	0	0	0
Outstanding (Receivable)	0	0	3306	3027	19593	9860

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

2014-15
(Amount in ₹ Lacs)

2013-14
(Amount in ₹ Lacs)

Note : 31

Earning Per Share

(a) Profit after tax (Profit attributable to Equity Shareholders)	4931	4229
(b) Weighted average nos. of Equity Shares (Pre-Bonus) for Basic / Diluted EPS	6631970	6631970
(c) Nominal Value of Equity Share (in Rs.)	10.00	10.00
(d) Basic and Diluted Earning per Equity Share (in Rs.) (Pre-Bonus)	74.39	63.77
(e) Weighted average nos. of Equity Shares (Post Bonus) for Basic / Diluted EPS	19895910	19895910
(f) Basic and Diluted Earning per Equity Share (in Rs.) (Post Bonus)	24.79	21.26

Note : 32

- (a) The deferred tax liability amounting to Rs.41 lacs (Previous year Rs.107 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.66 lacs (Previous year Rs.34 Lacs provided) has been reversed during the year.
- (b) During the year the deferred tax asset amounting to Rs.Nil (Previous year Rs. 12 lacs) is on account of diminution in value of Current Investment as per Accounting Standard-13.The deferred tax asset amounting to Rs.12 lacs (Previous year Rs.Nil) has been reversed during the year.

Note : 33

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

(Figures in Lacs)

Particulars of Derivatives	Derivative Contracts	31.03.2015		31.03.2014		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	2030	128875	383	23038	Hedge of Export and other Receivables
Buy	USD/INR	2816	178730	385	23111	Hedge of Import and other Payables

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

(Figures in Lacs)

Particulars	Currency	31.03.2015		31.03.2014	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	660	41927	1385	83244
Import and other Payables	USD	1739	110404	3286	197474

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-cancellable operating lease are as under:-

	As on 31.03.2015	(Amount in ₹ Lacs) As on 31.03.2014
Not later than one year	384	384
Later than one year and not later than five year	454	838
Later than five year	0	0

Note : 35

Pursuant to the approval of the members on 24th March, 2014 by way of Postal Ballot for issue of Bonus shares in the ratio of 2 Bonus shares for every one existing share held by the members as on 2nd April, 2014, 13263940 equity shares of Rs.10/- each were allotted as Bonus shares by the Board of Directors of the company in its meeting held on 3rd April, 2014. Consequently the paid up capital of the company increased from Rs.663 lacs to Rs.1990 lacs w.e.f. 3rd April, 2014.

Note : 36

As per the provisions of schedule II to The Companies Act, 2013, effective from 1st April, 2014 the Company has charged depreciation based on remaining useful life of the Assets. Accordingly, an amount of Rs.208 lacs in relation to assets whose useful life has already expired as on 1st April, 2014, has been charged to Retained Earnings.

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

M/s Bhojeswar Realtors Pvt Ltd which was an associate company of the company has ceased to be its associate during the year. There has been no gain/loss on sale of entire shareholding of this company.

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 : 27th May, 2015

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

PARTICULARS	(Amount in ₹ Lacs)	
	2014-2015	2013-2014
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	7337	6365
Adjustments for:		
- Depreciation	166	120
- Finance Cost	1461	1927
- Net Unrealised Forex Gain (-) / Loss	2965	-1014
- Profit (-) / Loss on Sale of Assets	3	9
- Net Profit on Sale of Investments	-99	-183
- Interest Income	-1639	-1956
- Dividend Income	-38	-57
Operating Profit before Working Capital Changes	2819	-1154
Adjustments for:		
- Trade Receivables & Others	-31489	-23075
- Inventories	1099	-624
- Trade Payables & Others	36289	22734
Cash Generated from Operations	16055	4246
Net Income Tax Paid	-2532	-3340
Net Cash Flow from Operating Activities	13523	906
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
- Purchase of Fixed Assets	-292	-397
- Sale of Fixed Assets	35	22
- Purchase of Investments- Others	-16738	-17962
- Sale of Investments-Others	8780	6175
- Sale of Investments-Subsidiaries	0	463
- Loans to Subsidiary Companies (Net)	-7316	10141
- Loans to Associate Companies (Net)	-279	-22
- Loans to Others	-48	-160
- Interest Received	1639	1956
- Dividend Received	38	57
Net Cash flow from/(used in) Investing Activities	-14181	273
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
- Secured Loans from Banks	836	-6861
- Loans from Director	159	-724
- Dividend Paid	-1193	-1324
- Tax on Dividend Paid	-203	-225
- Finance Cost	-1461	-1927
Net Cash flow from/(used in) Financing Activities	-1862	-11061
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	-2520	-9882
Cash & Cash Equivalents - Opening Balance	6333	16215
Cash & Cash Equivalents - Closing Balance	3813	6333

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 : 27th May, 2015

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors,
Kothari Products Limited

We have audited the accompanying Consolidated Financial Statements of KOTHARI PRODUCTS LIMITED (“the Company”), and its subsidiaries and joint ventures (the Company, its subsidiaries and joint ventures constitute “the Group”), which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

The Company’s management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with Accounting Standards referred to in Section 133 of the Companies Act, 2013 (the Act”) read with Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the 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 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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the 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:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the group as at 31st March, 2015;
- (b) in the case of Consolidated Statement of Profit & Loss, of the Profit of the group for the year ended on that date;
and
- (c) in the case of Consolidated Cash Flow Statement, of the Cash Flows of the group 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.36362 lacs as at 31st March, 2015, total revenue (net) of Rs.93159 lacs and cash flows (net) amounting to Rs.1151 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.

For MEHROTRA & MEHROTRA,
Firm Registration No.000226C
CHARTERED ACCOUNTANTS,

(Vivek Kumar)
PARTNER
Membership No. 408227

Place : Kanpur
Date : 27th May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

PARTICULARS	NOTE	As at 31.03.2015 (Amount in ₹ Lacs)	As at 31.03.2014 (Amount in ₹ Lacs)
I. EQUITY AND LIABILITIES			
(1) Shareowners' Funds			
(a) Share capital	2	1990	663
(b) Reserves and surplus	3	84015	79178
Minorities interest		2	2
(2) Non-Current Liabilities			
(a) Long term borrowings	4	7259	6887
(b) Deferred tax liabilities (Net)	5	59	96
(3) Current Liabilities			
(a) Short term borrowings	6	19213	25486
(b) Trade payables	7	300612	247127
(c) Other current liabilities	8	98068	65102
(d) Short term Provisions	9	11682	10801
TOTAL		522900	435342
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
- Tangible assets	10	5720	5910
(b) Goodwill on consolidation		219	219
(c) Non-current investments	11	13941	14594
(d) Long term loans and advances	12	6452	6175
(2) Current Assets			
(a) Current Investments	13	191796	162549
(b) Inventories	14	19896	18903
(c) Trade receivables	15	251456	190121
(d) Cash and cash equivalents	16	8172	17219
(e) Short term loans and advances	17	25248	19652
TOTAL		522900	435342
Significant Accounting Policies	1		
Notes are an integral part of the financial statements	2-42		

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 : 27th May, 2015

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2015

	NOTE	For the Year Ended 31.03.2015 (Amount in ₹ Lacs)	For the Year Ended 31.03.2014 (Amount in ₹ Lacs)
I. REVENUE FROM OPERATIONS :			
Revenue From Operations	18	663440	574824
Other Income	19	914	977
Total Revenue		664354	575801
II. EXPENSES :			
Purchases of Stock-in-Trade	20	631907	530967
Increase (-) / Decrease (+) in Inventories of Stock-in-trade	21	713	-624
Employee benefit expenses	22	499	495
Finance cost	23	3009	3211
Depreciation and amortization expense		236	180
Other expenses	24	17073	32276
Total Expenses		653437	566505
III. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS			
		10917	9296
(There is no discontinuing operation)			
IV. Less : Tax expenses :			
1) Current tax		3546	2984
2) Deferred tax		-37	31
3) Excess provision of income tax for earlier year (Net)		-27	-33
V. PROFIT FOR THE YEAR :			
		7435	6314
Less: Minorities interest		0	0
VI. PROFIT FOR THE YEAR AFTER MINORITIES INTEREST			
		7435	6314
VII. BASIC & DILUTED EARNING PER SHARE (IN RS.) :			
(a) Basic (Refer Note No. 29)		37.37	31.74
(b) Diluted (Refer Note No. 29)		37.37	31.74
Significant Accounting Policies	1		
Notes are an integral part of the financial statements	2-42		

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 : 27th May, 2015

(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-cancellable lease agreements for a specified period are renewable at the option of the lessee/licensee at mutually agreed term.
- (iv) The aggregate lease rentals receivable for the year is credited to the statement of profit & loss as Rental Income.

1.4. 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 & 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 & 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 & 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 & 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 & 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.

1.13. 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.

1.14. 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 in receiving the same.

NOTES CONTINUED
(CONSOLIDATED)

	As at 31.03.2015 (Amount in ₹ Lacs)	As at 31.03.2014 (Amount in ₹ Lacs)
Note : 2		
Share Capital		
Authorised :		
21000000 Equity Shares of Rs.10/- each	<u>2100</u>	<u>2100</u>
Issued, Subscribed And Paid Up :		
19895910 (6631970) Equity Shares of Rs.10/- each fully paid up	<u>1990</u>	<u>663</u>
TOTAL	<u>1990</u>	<u>663</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.

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

	As at 31st March, 2015	As at 31st March, 2014
	Number of shares held	Number of shares held
	Amount in Rs. Lacs	Amount in Rs. Lacs
Equity Share of Rs.10/- each fully paid up:-		
Opening Balance	6631970	663
Bonus Issue	13263940	0
Closing Balance	<u>19895910</u>	<u>663</u>

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

Class of shares/Name of shareholders	Number of shares held	holding %	Number of shares held	holding %
Equity Share of Rs.10/- each fully paid up:-				
a) Mrs. Arti D Kothari	1895316	9.53%	631772	9.53%
b) Mr. Deepak Kothari jointly with Mrs. Arti D Kothari	9155748	46.02%	3051916	46.02%
c) Mitesh Kothari (HUF)	1218732	6.13%	406244	6.13%
d) Dham Securities Pvt Ltd	2199999	11.06%	733333	11.06%
e) Magnus Properties Pvt Ltd	1126743	5.66%	375581	5.66%

Note : 3

Reserves and Surplus :

(a) Preference Shares Redemption Reserve	3	3
Less : Utilised during the year for issue of Bonus Shares	<u>3</u>	<u>0</u>
	0	3
(b) Foreign Currency Translation Reserve	1823	1335
	<u>1823</u>	<u>1335</u>
(c) General Reserve		
As at Commencement of the year	35908	35485
Add : Transferred from Profit & Loss	493	423
Less : Utilised during the year for issue of Bonus Shares	<u>1323</u>	<u>0</u>
	<u>35078</u>	<u>35908</u>

NOTES CONTINUED
(CONSOLIDATED)

	As at 31.03.2015 (Amount in ₹ Lacs)	As at 31.03.2014 (Amount in ₹ Lacs)
(d) Profit & Loss Account - As per account annexed		
Opening Balance	41932	37431
Add: Profit for the year	7435	6314
	<u>49367</u>	<u>43745</u>
Less : Related to Ceased Subsidiary	0	-6
	<u>49367</u>	<u>43751</u>
Less: Appropriations		
Transfer to General Reserve	493	423
Proposed Dividend on Equity Shares	1293	1193
Provision for Tax on Proposed Dividend	259	203
Adjustment related to Fixed Assets (Refer Note No. 35)	208	0
	<u>47114</u>	<u>41932</u>
TOTAL	<u>84015</u>	<u>79178</u>

Note : 4
Long Term Borrowings
Unsecured

From Salarpuria Properties Pvt. Ltd.	172	6
From SPPL Property Management Pvt. Ltd.	212	6881
Debentures		
687500 (Nil) 1% Redeemable Non Convertible Debentures	6875	0
TOTAL	<u>7259</u>	<u>6887</u>

Note : 5
Deferred Tax Liabilities (Net)
a. Deferred Tax Liabilities

- Due to difference between WDV of Fixed Assets as per books of accounts and Income Tax Act, 1961	59	108
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b. Deferred Tax Assets

- Due to unallowable expenses	0	-12
TOTAL	<u>59</u>	<u>96</u>

Note : 6
Short Term Borrowings
6(a) Secured:

Overdraft against fixed deposit receipts from Nationalised Banks	17836	20706
Cash Credit Limits from Nationalised Banks	94	123
Export Packing Credit Limits from Nationalised Banks	1003	4332
TOTAL	<u>18933</u>	<u>25161</u>

6(a)(i) Description of the Security Given:
(A) Holding Company:
Bank of India:
Prime Securities:

First pari passu charge by way of Hypothecation of Stocks and book debts.

Collateral Securities:

Exclusive charge by way of equitable mortgage of Property at Bengaluru owned by other Company. Personal guarantee of two directors. Corporate guarantee by other company.

Allahabad Bank:

Prime Securities:

Hypothecation charge on current assets of the company both current and future, ranking pari passu with other multiple bankers.

Collateral Securities:

Fixed Deposit worth Rs. 1400 lacs, equitable mortgage of property at Noida and personal guarantee of two directors.

Canara Bank:

Prime Securities:

Hypothecation of Stocks, Book Debts and other current assets (existing and future)

Collateral Securities:

Equitable mortgage of property at Bengaluru owned by another company. Fixed Deposit of Rs. 403 lacs, personal guarantee of two directors and corporate guarantee by a wholly owned Subsidiary Company and by two other companies.

Punjab National Bank:

Prime Securities:

Hypothecation charge on entire current assets of the company, both present & future, ranking pari passu with other lenders under multiple banking.

Collateral Securities:

Equitable mortgage of property at Bangalore owned by wholly owned subsidiary and Equitable mortgage of another property at Pune. Personal guarantee of two directors and Corporate guarantee by a wholly owned subsidiary company.

UCO Bank:

Prime Securities:

First pari passu charge by way of hypothecation on the entire movable fixed and current assets of the company (both current and future) with existing Working Capital lenders.

Collateral Securities:

Rs. 300 lacs by way of collateral in the form of Fixed Deposit Receipt. Personal guarantee of two directors.

Indian Overseas Bank:

Prime Securities:

First pari passu charge on stock and all other current assets.

Collateral Securities:

Fixed Deposit worth Rs. 295 lacs, equitable mortgage of property at Bengaluru owned by other company and personal guarantee of two directors. Corporate guarantee by one other company.

State Bank of India:

Prime Securities:

First pari passu charge on entire current assets of the company both current and future.

Collateral Securities:

Mutual Fund worth Rs.1715 lacs and personal guarantee of two directors.

(B) Subsidiary Company:

KPL Export Private Limited, A wholly owned subsidiary of the Company availed various credit facilities from bank. The security 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. Fixed deposits of Rs.6786 lacs. Personal guarantees of two directors and corporate guarantees by the holding company.

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

6(a)(iii) During the year the holding company availed various credit facilities from the above banks under the multiple banking arrangement. However, for the business convenience, the holding company has started the process to adhere to the consortium arrangement to meet its credit requirements. The major lenders i.e. Allahabad Bank has accepted to be the lead bank of the consortium.

	As at 31.03.2015 (Amount in ₹ Lacs)	As at 31.03.2014 (Amount in ₹ Lacs)
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6(b) Unsecured

Loans and Advances from Related Parties

Loans from Directors (refer Note No. 38)

280	325
<u>280</u>	<u>325</u>
<u>19213</u>	<u>25486</u>

NOTES CONTINUED
(CONSOLIDATED)
Note : 7
Trade Payables

Trade Payables (including acceptances)

	<u>300612</u>	247127
TOTAL	<u>300612</u>	<u>247127</u>
	As at 31.03.2015 (Amount in ₹ Lacs)	As at 31.03.2014 (Amount in ₹ Lacs)

Note : 8
Other Current Liabilities

Advance Against Orders

95841 62673

Due to Directors

4 30

Unclaimed / Unpaid Dividend

20 20

Security Deposit Received

428 428

Statutory Liabilities

179 245

Interest Accrued & Due

202 160

Outstanding Liabilities

1394 1546

TOTAL	<u>98068</u>	<u>65102</u>
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Note : 9
Short Term Provisions

Provision for Taxation

10130 9405

Proposed Dividend

1293 1193

Tax on Proposed Dividend

259 203

TOTAL	<u>11682</u>	<u>10801</u>
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Note : 10
Fixed Assets

(Amount in ₹ Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.14	Additions	Transfer	As at 31.03.15	Up To 31.03.14	For the year	Adjust- ment	Up To 31.03.15	As at 31.03.15	As at 31.03.14
Tangible Assets:										
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)	3800	0	0	3800	383	139	0	522	3278	3417
Flats	990	0	0	990	65	-18	0	47	943	925
Motor Cars	877	291	137	1031	412	91	-8	511	520	465
Computers	37	1	0	38	30	-9	-11	32	6	7
Office Equipment	139	2	0	141	50	-3	-80	127	14	89
Temporary Structure	77	0	0	77	77	0	0	77	0	0
Furniture & Fixture	76	0	0	76	25	9	-11	45	31	51
Plant & Machinery	446	0	0	446	0	28	0	28	418	446
TOTAL	7203	294	137	7360	1293	237	-110	1640	5720	5910
Intangible Assets:										
Computer Software	0	0	0	0	0	0	0	0	0	0
Grand Total	7203	294	137	7360	1293	237	-110	1640	5720	5910
Previous Year	6321	965	83	7203	1165	180	52	1293	5910	

*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 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
NOTE : 11				
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	0	2	0
Alstom India Ltd of Rs.10/-	38005	38005	281	281
Bajaj Corp Ltd. of Re.1/-	23944	25000	65	68
Bajaj Finance Limited of Rs.10/-	600	3262	7	38
Bata India Ltd of Rs.10/-	0	1000	0	9
Bombay Rayon Fashions Ltd of Rs.10/-	0	488461	0	1120
Camson Biotechnologies Ltd of Rs.10/-	10000	43000	6	26
Cummins India Ltd of Rs.2/-	29894	29950	0	0
IDFC Limited of Rs.10/-	94500	94500	165	165
Jammu & Kashmir Bank Ltd. of Re.1/-	22500	0	31	0
J M Financial Ltd. of Re.1/-	7500	0	3	0
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	0	30	0
Mandhana Industries Ltd of Rs.10/-	0	4575	0	11
Man Industries (India) Ltd. of Rs.5/-	5000	0	4	0
Marico Ltd of Re.1/-	60500	60500	136	136
Marico Kaya Enterprises Ltd. of Rs.10/-	1210	1210	0	0
Motherson Sumi Systems Ltd of Re.1/-	2000	2000	2	2
Nakoda Limited of Rs.5/-	20000	0	2	0
Omaxe Ltd. of Rs.10/-	3000	0	5	0
Rallis India Ltd of Re.1/-	30000	33000	46	51
Reliance Industries Ltd. of Rs.10/-	25500	14500	225	128
Stampede Capital Limited of Rs.10/-	95000	200000	83	175
State Bank of India of Re.1/-	150	15	0	0
Dhanlaxmi Bank Limited of Rs.10/-	215000	215000	359	359
Karur Vysya Bank Ltd. of Rs. 10/-	45000	45000	143	143
Triveni Turbine Ltd. of Re.1/-	12500	17500	7	10
Uflex Ltd. of Rs. 10/-	492056	492056	498	498
Usha Martin Ltd. of Re.1/-	10000	0	4	0
Whirlpool of India Ltd. of Rs.10/-	96000	110000	299	345
Zylog Systems Ltd. of Rs.5/-	90000	90000	252	252
Aggregate Cost		TOTAL (A)	2750	3912
Aggregate Market Value			3363	3071
B. Unquoted				
I. Non-trade				
(a) Capital Contribution in India Growth Fund			320	343
(b) Application Money for Shares			2936	3036
II. Trade				
(a) Investments in Equity Shares of Companies, each Fully paid up				
Bhojeswar Realtors Private Ltd. of Rs.10/-	0	10000	0	1
Hara Parvati Realtors Pvt. Ltd. of Rs. 10/-	12750	12750	1	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/-	127500	127500	13	13
Sattva Realtors Pvt Ltd of Rs.10/-	12500	10000	1	1
Neelanchal Con-tech Private Ltd. of Rs.10/-	10000	0	1	0
Raj Power Parts & Engg. Co. Pvt. Ltd of Rs.100/-	3700	3700	594	594

NOTES CONTINUED
(CONSOLIDATED)

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
(b) Investment in Preference Shares of companies, each fully paid-up of Rs.10/- each				
0.001% Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1621271	1493670	2770	2458
0.001% Optionally Convertible Redeemable Preference Shares of Hara Parvati Realtors Pvt. Ltd.	849233	849233	591	591
(c) Others				
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
C. Investment in immovable property			<u>2461</u>	<u>2141</u>
TOTAL (B)			<u>11191</u>	<u>10682</u>
TOTAL (A+B)			<u>13941</u>	<u>14594</u>

As at
31.03.2015
(Amount in ₹ Lacs)

As at
31.03.2014
(Amount in ₹ Lacs)

Note : 12
Long Term Loans and Advances (Unsecured Considered Good):

(a) Security Deposits	563	615
(b) Loans & Advances to related parties		
Loans to Associate Companies/ Enterprises over which KMP are able to exercise significant influence	3306	3027
(c) Other Loans & Advances:		
Service Tax Input Credit Receivable	13	12
Advance for Properties	372	372
Advance paid for APHP	55	55
Loans to Others	2143	2094
TOTAL	<u>6452</u>	<u>6175</u>

Note : 13
Current Investments
(A) Mutual Funds (Units, each, fully paid-up):

	Quantity (Nos.)		Amount in ₹ Lacs	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Weekly Dividend of Rs.10/-	151182.402	142942.550	15	14
Reliance Liquidity Fund-Growth Plan Growth Option of Rs.1000/-	0.000	33766.258	0	639
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	0.000	100	0
Aggregate Cost			<u>1830</u>	<u>2368</u>
Less: Provision for diminution in value of Mutual Funds			0	35
(A)			<u>1830</u>	<u>2333</u>
Aggregate Market Value			<u>2018</u>	<u>2347</u>
(B) Fixed Deposit Accounts (Including interest accrued but not due) **			<u>189966</u>	<u>160216</u>
(A)+(B)			<u>191796</u>	<u>162549</u>

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

NOTES CONTINUED
(CONSOLIDATED)

	As at 31.03.2015 (Amount in ₹ Lacs)	As at 31.03.2014 (Amount in ₹ Lacs)
Note : 14		
Inventories - (At cost or net realisable Value whichever is lower, as certified by the management)		
Trading Items	2056	2861
Real Estate (Work-in-Progress)	17840	16042
TOTAL	<u>19896</u>	<u>18903</u>

Note : 15		
Trade Receivables (Unsecured Considered good)		
(a) Debts outstanding for over six months	5917	7684
(b) Other debts	245539	182437
TOTAL	<u>251456</u>	<u>190121</u>

Note : 16		
Cash & Cash Equivalent		
Cash & Bank Balances:		
(a) (i) Cash in hand and in transit	94	92
(ii) Cheques in Hand	2400	2401
(b) Balances with Scheduled Banks		
(i) In Current Accounts & E E F C Account	1238	11053
(ii) In Unclaimed Dividend accounts	20	20
(iii) In Fixed Deposit Account (Including interest accrued but not due)	4420	3653
TOTAL	<u>8172</u>	<u>17219</u>

Note : 17		
Short Term Loans and Advances		
Advance Income Tax and Tax Deducted at Source	11505	10458
Other Loans & Advances		
-Advance recoverable in cash or in kind or for value to be received or pending adjustments	13743	9194
TOTAL	<u>25248</u>	<u>19652</u>

For the Year Ended	For the Year Ended
31.03.2015	31.03.2014
(Amount in ₹ Lacs)	(Amount in ₹ Lacs)

Note : 18		
Revenue from Operations		
(a) Sales of Traded Goods	647319	558972
(b) Other Operating Revenues		
(i) Interest Earned on Bank Deposits held for Business Purposes	15020	13947
(ii) Miscellaneous Income	399	1233
(iii) Rental Income	702	672
TOTAL	<u>663440</u>	<u>574824</u>

NOTES CONTINUED
(CONSOLIDATED)
**For the Year Ended
31.03.2015
(Amount in ₹ Lacs)**
**For the Year Ended
31.03.2014
(Amount in ₹ Lacs)**
Note : 19
Other Income

(a) Dividend Income	38	57
(b) Interest on Loans	562	541
(c) Profit on Sale of Investments	314	284
(d) Miscellaneous Receipts	0	95
TOTAL	<u>914</u>	<u>977</u>

Note : 20
Purchases of Stock-in-Trade

Purchases of Traded Goods	631907	530967
TOTAL	<u>631907</u>	<u>530967</u>

Note : 21
Increase (-) / Decrease (+) in inventories of Stock-in-trade
Opening Stock:

Trading Items	2861	2145
Real Estate (Work-in-Progress)	5051	5143
TOTAL	<u>7912</u>	<u>7288</u>

Closing Stock :

Trading Items	2056	2861
Real Estate (Work-in-Progress)	5143	5051
TOTAL	<u>7199</u>	<u>7912</u>
	<u>713</u>	<u>-624</u>

Note : 22
Employee Benefit Expenses

Salaries, Wages and Bonus	401	412
Contribution to Provident and other Funds	14	10
Gratuity	6	1
Staff welfare and Other Expenses	78	72
TOTAL	<u>499</u>	<u>495</u>

Note : 23
Finance Cost

Interest Cost	3009	3211
TOTAL	<u>3009</u>	<u>3211</u>

NOTES CONTINUED
(CONSOLIDATED)
**For the Year Ended
31.03.2015
(Amount in ₹ Lacs)**
**For the Year Ended
31.03.2014
(Amount in ₹ Lacs)**
Note : 24
Other Expenses

Electricity Expenses	72	79
Bank Charges	2392	2114
General Insurance	39	17
Transit Insurance	3	4
Rent	150	153
Rates & Taxes	26	23
Loss on Foreign Currency Transactions and Translation	9915	22069
Loss on sale of Fixed Assets	3	13
Repairs :		
Building	33	41
Others	44	28
Selling & Distribution Expenses	144	96
Travelling & Conveyance	156	167
Miscellaneous Expenses	3462	7050
Corporate Social Responsibility Expenses	152	0
Payment to Auditors :		
Statutory Audit Fee	20	19
Tax Audit Fee	1	1
Directors' Remuneration	21	20
Directors' Commission	440	382
Directors' Sitting Fee	0	0
	17073	32276

Note : 25
Contingent Liabilities

Corporate Guarantees issued by the Company to certain banks on behalf of one of its subsidiary	31423 (USD 49.5 Million)	29449 (USD 49 Million)
Corporate Guarantee issued by the Company to Nationalised banks on behalf of one of its wholly owned subsidiary	42500	20500
Corporate Guarantee issued by the subsidiary Companies to Nationalised banks	20500	66500
Corporate Guarantee issued by the Company to Nationalised banks on behalf of associate companies	26000	26000
Other Corporate Guarantee issued by the Company to a Nationalised bank	3000	0

NOTES CONTINUED
(CONSOLIDATED)
Note: 26
Segment Information (Information about Business Segments) :
26.1. The Company operates in two business segments-

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

For the Year Ended
31.03.2015
(Amount in ₹ Lacs)

For the Year Ended
31.03.2014
(Amount in ₹ Lacs)

26.2. Segment Information are as under-
(A) Segment Revenue (Net Sales/ Income)

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

662692

573577

1660

2211

664352

575788

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

- (a) Trading Items
(b) Real Estate etc.
Net Profit Before Interest
(c) Interest Expenses
Net Profit Before tax

13013

10907

913

1600

13926

12507

3009

3211

10917

9296

(C) Capital Employed (Segment Assets - Segment Liabilities)

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

As at 31.03.2015

As at 31.03.2014

52795

48682

33210

31159

(Capital employed is net of inter-segmental transfer)

86005

79841

Note : 27

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 | (e) Smt. Hemani Gowani | (i) Smt. Urvi Kothari |
| (b) Shri Mitesh Kothari - Executive Director | (f) Smt. Arti Kothari | (j) Shri Raj Kumar Gupta-
CS & Compliance Officer |
| (c) Shri M. M. Kothari | (g) Smt. Reeta Shah | (k) Shri Anurag Tandon- CFO |
| (d) Smt. Sharda M. Kothari | (h) Mitesh Kothari HUF | |

(B) Associate Companies:

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

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

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

(ii) Summary of Transactions:

Particulars	(Amount in ₹ Lacs)			
	Key Managerial Personnel & Relatives		Associate Companies/ Others in which KMP have significant influence	
	For the year ended / As on		For the year ended / As on	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Directors'/KMP Remuneration etc.	491	432	0	0
On Account of Expenses	13	12	62	62
On Account of Interest on Loan Taken	19	34	0	0
On Account of Income - Rent	0	0	12	12
Interest Income on Loan Given	0	0	341	276
Interest Received on Debentures	0	0	15	8
Investment in Shares During the year	0	0	312	1067
Investment in Debentures During the year	0	0	0	1200
Sale of Investment	0	0	0	463
Dividend Paid	763	848	132	147
Corporate Guarantees issued and outstanding as on date	0	0	26000	26000
Outstanding (Payable)	187	52	0	0
Outstanding (Receivable)	0	0	3306	3027

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

Note : 28

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.	25.50%
Real Griha Nirman Pvt. Ltd.	50.00%
Shubhadra Realtors Pvt. Ltd.	50.00%
Sankhya Realtors Pvt. Ltd.	45.00%
SPPL Hotels Pvt. Ltd.	25.50%
Sattva Realtors Pvt. Ltd.	25.00%
Neelanchal Con-tech Pvt. Ltd.	50.00%

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.

For the Year Ended 31.03.2015 (Amount in ₹ Lacs)	For the Year Ended 31.03.2014 (Amount in ₹ Lacs)
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Note : 29
Earning Per Share

(a) Profit after tax (Profit attributable to Equity Shareholders)	7435	6314
(b) Weighted average nos. of Equity Shares (Pre-Bonus) for Basic / Diluted EPS	6631970	6631970
(c) Nominal Value of Equity Share (in Rs.)	10.00	10.00
(d) Basic and Diluted Earning per Equity Share (in Rs.) (Pre-Bonus)	112.12	95.21
(e) Weighted average nos. of Equity Shares (Post Bonus) for Basic / Diluted EPS	19895910	19895910
(f) Basic and Diluted Earning per Equity Share (in Rs.) (Post Bonus)	37.37	31.74

Note : 30

- (i) The deferred tax liability amounting to Rs.59 lacs (Previous year Rs.108 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.49 lacs (Previous year Rs.35 lacs was provided) has been reversed during the year.
- (ii) The deferred tax asset amounting to Rs.Nil (Previous year Rs.12 lacs) is on account of time difference of unallowable expenses which is capable of being reversed in one or more subsequent years. The deferred tax asset amounting to Rs.12 lacs (Previous year Rs. 4 lacs was created) has been reversed during the year.

Note : 31

During the year finance cost of Rs.338 Lacs (Previous Year Rs.742 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 : 32

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

(Figures in Lacs)

Particulars of Derivatives	Derivative Contracts	31.03.2015		31.03.2014		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	2885	183134	383	23038	Hedge of Export and other Receivables
Buy	USD/INR	3672	233047	385	23111	Hedge of Import and other Payables

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

(Figures in Lacs)

Particulars	Currency	31.03.2015		31.03.2014	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	660	41927	2135	128303
Import and other Payables	USD	2248	142720	4330	260221

Note : 33

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-cancellable operating lease are as under:-

(Amount in ₹ Lacs)

	As on 31.03.2015	As on 31.03.2014
Not later than one year	384	384
Later than one year and not later than five year	454	838
Later than five year	0	0

Note : 34

Pursuant to the approval of the members on 24th March, 2014 by way of Postal Ballot for issue of Bonus shares in the ratio of 2 Bonus shares for every one existing share held by the members as on 2nd April, 2014, 13263940 equity shares of Rs.10/- each were allotted as Bonus shares by the Board of Directors of the company in its meeting held on 3rd April, 2014. Consequently the paid up capital of the company increased from Rs.663 lacs to Rs.1990 lacs w.e.f. 3rd April, 2014.

Note : 35

As per the provisions of schedule II to The Companies Act, 2013, effective from 1st April, 2014 the Company has charged depreciation based on remaining useful life of the Assets. Accordingly, an amount of Rs.208 lacs in relation to assets whose useful life has already expired as on 1st April, 2014, has been charged to Retained Earnings.

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

Loan from Directors includes Rs.97 lacs (Previous year Rs.301 lacs) loan taken by the subsidiaries from their directors.

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 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 : 41

M/s Bhojeswar Realtors Pvt Ltd which was a associate company of the company has ceased to be its associate during the year. There has been no gain/loss on sale of entire shareholding of this company.

Note : 42

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 : 27th May, 2015

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

PARTICULARS	(Amount in ₹ Lacs)	
	2014-2015	2013-2014
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	10917	9296
Adjustments for:		
- Depreciation	236	180
- Finance Cost	3009	3211
- Exchange Translation Reserve on Consolidation	488	757
- Reserve related to Ceased Subsidiary	0	6
- Net Unrealised Forex (Gain)/loss	3732	-1014
- Profit (-) / Loss on Sale of Assets	3	13
- Net (gain)/Loss on Sale of Investments	-314	-183
- Interest Income	562	-551
- Dividend Income	-38	-57
Operating Profit/ (loss) before working capital changes	18595	11658
Adjustments for:		
- Trade Receivables & Others	-30821	-46705
- Inventories	-993	-1576
- Trade payables & Others	47708	53574
Cash Generated from Operations	34489	16951
Net Income Tax (paid)/ Refund	-3841	-4394
Net Cash flow from/(used in) Operating Activities	30648	12557
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
- Purchase of Fixed Assets	-294	-965
- Sale of Fixed Assets	35	18
- Purchase of Investments- Others	-37433	-15027
- Sale of Investments	9155	6337
- Loans to associate companies (Net)	-279	-629
- Loans to others	-49	-160
- Interest Received	-562	551
- Dividend Received	38	57
Net Cash flow from/(used in) Investing Activities	-29388	-9818
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
- Secured Loans from banks	-6228	-710
- Unsecured Loans	372	827
- Loans from director	-46	-724
- Dividend Paid	-1193	-1323
- Tax on Dividend Paid	-203	-225
- Finance Cost	-3009	-3211
Net Cash flow from/(used in) Financing Activities	-10306	-5366
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	-9047	-2627
Cash & Cash Equivalents - Opening Balance	17219	19846
Cash & Cash Equivalents - Closing Balance	8172	17219

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 : 27th May, 2015

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer

FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31.03.2015

(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
							(a) Shares	(b) Others	Total Investment						
1	Sukhdham Constructions & Developers Limited	31.03.2015	10	281	1000	1000	0	0	0	60	68	14	54	0	100%
2	MK Web-Tech Pvt. Limited	31.03.2015	25	1306	1764	1764	0	0	0	305	248	66	182	0	100%
3	KPL Exports Pvt. Limited	31.03.2015	200	5203	116264	116264	594	2209	2803	105713	2285	806	1479	0	100%
4	Kothari Products Singapore Pte. Limited*	31.03.2015	4834	4934	28164	28164	0	0	0	92851	1114	191	923	0	99.9998%
5	Savitrimata Realtors Pvt. Limited	31.03.2015	5	-14	10097	10097	0	0	0	3	-1	0	-1	0	51%
6	Blackplinth Realtors Pvt Limited	31.03.2015	5	-3	2349	2349	0	0	0	0	-1	0	-1	0	54%
7	Riverview Land Developers Pvt Limited	31.03.2015	10	-29	2230	2230	0	0	0	0	-6	0	-6	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. 63.48

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 : 27th May, 2015

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)
Parent				
Kothari Products Limited	86.22	74154	66.32	4931
Subsidiaries				
Indian				
Sukhdham Constructions & Developers Limited	0.34	291	0.73	54
Mk Web-Tech Pvt Ltd	1.55	1331	2.45	182
Kpl Exports Pvt Ltd	6.28	5403	19.89	1479
Savitrimata Realtors Pvt Ltd	-0.01	-9	-0.01	-1
Blackplinth Realtors Pvt Ltd	0.00	2	-0.01	-1
Riverview Land Developers Pvt Ltd	-0.02	-19	-0.08	-6
Foreign				
Kothari Products Singapore Pte Ltd	11.36	9768	12.41	923
Minorities Interest	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 : 27th May, 2015

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(ANURAG TANDON)
Chief Financial Officer



Regd. Office : "PAN PARAG HOUSE", 24/19, THE MALL, KANPUR - 208 001
CIN: L16008UP1983PLC006254

ATTENDANCE SLIP

I, hereby record my presence at the Thirty First Annual General Meeting of the Company being held on **Thursday, the 24th day of September, 2015 at 11:30 A.M. at Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave – 3, Kanpur.**

1. Full Name of the Shareowner/Proxy
(In Block Letters)
2. Ledger Folio No D.P. Id.* Client Id*
3. No. of Equity Shares held
4. Signature of the Shareowner/Proxy attending

To be used only when First named Shareowner is not attending.

Please give full name of the Joint Holders.

1. Mr./Mrs./Miss Signature
2. Mr./Mrs./Miss Signature
(in Block Letters)

NOTES:

- i. Please fill in this attendance slip and hand it over at the entrance of the hall.
 - ii. Shareowners who come to attend the meeting are requested to bring their copies of the Annual Report with them.
 - iii. No gift will be distributed in the aforesaid meeting as per SEBI guidelines.
- * Applicable for members holding shares in electronic form.



TEAR HERE



Regd. Office : "PAN PARAG HOUSE", 24/19, THE MALL, KANPUR - 208 001
CIN: L16008UP1983PLC006254

FORM No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :	
Registered Address :	
E-mail Id :	
Folio No./Client Id :	
DP ID :	

I/We, being the member(s) of shares of the above named Company, hereby appoint :

1.	Name :	
	Address :	
	E-mail Id :	

or failing him

2.	Name :	
	Address :	
	E-mail Id :	

or failing him

3.	Name :	
	Address :	
	E-mail Id :	

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held on **Thursday, 24th day of September, 2015 at 11:30 A.M.** at **Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave – 3, Kanpur** and at any adjournment thereof in respect of such resolutions as are indicated below :

** I wish my above Proxy to vote in the manner as indicated in the box below :

Resolution No.	Resolutions	For	Against
Ordinary Business			
1.	To consider and adopt the Audited Standalone & Consolidated Balance Sheets of the Company as at 31st March, 2015 and the Profit & Loss Accounts for the financial year ended on that date and the Reports of the Directors' and Auditors' thereon.		
2.	To declare dividend for the aforesaid financial year.		
3.	To appoint a Director in place of Sri Mitesh Kothari (DIN : 00089076) , who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To re-appoint M/s.Mehrotra & Mehrotra, Chartered Accountants, retiring Auditors, as Auditors of the Company and to authorize the Board of Directors of the Company to fix their remuneration.		
Special Business			
5.	To appoint Smt. Poonam Acharya (DIN : 07238992), as a Director liable to retire by rotation.		

Signed thisday of 2015

Signature of Shareholder

Signature of 1st Proxy holder

Signature of 2nd Proxy holder

Signature of 3rd Proxy holder

Affix
Revenue
Stamp

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.
- 2.** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
4. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.
5. For the resolution, explanatory statement and notes please refer to the Notice of the 31st Annual General Meeting.





KOTHARI
PRODUCTS LIMITED

Regd. Off.: "Pan Parag House", 24/19, The Mall, Kanpur-208 001 (India).
Visit us on Internet at: <http://www.kothariproducs.in>
Email: info@kothariproducs.in

FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Kothari Products Ltd.
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by- <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	 (D.K.)  (A.S.) 