



“ 29th
annual report
2012-2013 ”



KOTHARI
PRODUCTS LIMITED

CONTENTS

Board of Directors	2
Founder Chairman	3
Chairman's Letter to Shareowners	4-5
Notice	6-13
Directors' Report	14-17
Corporate Governance Report	18-26

STANDALONE STATEMENTS:-

Auditors' Report	27-29
Balance Sheet	30
Statement of Profit & Loss	31
Notes to Financial Statements	32-47
Cash Flow Statement	48

CONSOLIDATED STATEMENTS:-

Auditors' Report	50-51
Balance Sheet	52
Statement of Profit & Loss	53
Notes to Financial Statements	54-68
Cash Flow Statement	69
Statement u/s 212 of Subsidiaries	70
Financial Details of Subsidiaries	71

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

Company Secretary

RAJ KUMAR GUPTA

AUDITORS

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

REGISTERED OFFICE & SECRETARIAL DEPARTMENT

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

INVESTORS' GRIEVANCE E-MAIL ID

rkgupta@kothariproducts.in

AUDIT COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DEEPAK KOTHARI
DR. AVINASH GUPTA
VIKAS CHATURVEDI

SHAREOWNERS'/INVESTORS' GRIEVANCE COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DEEPAK KOTHARI
MITESH KOTHARI
DR. AVINASH GUPTA

REMUNERATION COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DR.AVINASH GUPTA
VIKAS CHATURVEDI



M.M. KOTHARI
Our Founder Chairman

Chairman's Message



Dear Fellow Shareowners,

Expectedly, last fiscal witnessed unacceptable levels of Current Account Deficits, high prices of crude in international markets, continued uncertainty in many developed economies resulting in slower global growth. The International Business environment remained difficult and challenging.

In the Indian context, a good monsoon together with some serious steps taken by the Government and RBI to stem the widening of CAD and to stabilize the Forex scenario, will boost the overall business sentiments and lead to a spurt in the economic growth of the country.

This phase of general sluggish economic scenario gave us opportunities of de-risking / re-configure our businesses through strategic spread. In the process, weeding out under / non performing ventures for better future growth which has yielded fruitful results.

Despite these constraints, your Company performed reasonably well and I am happy to share with you that yet again we have registered an impressive growth in our sales volumes in the International Trade during the last completed fiscal covered by this Annual Report, whereas the Real estate sector remained stagnant. Despite higher borrowing costs and volatile Forex market which strained our profits, we still witnessed its significant growth. Therefore, Directors of your company propose higher dividend for the year covered under this report to show gratitude towards the confidence and unstinting support of you all, which I cherish.

India has the right ingredients – a young, large and vibrant demography, somewhat acceptable level of inflation, growing educated work force and sustained consumer spends for a brighter long term future.

We believe in philanthropy through spread of quality education in the society. Quality of education will not improve without quality teaching staff, therefore, our group constantly strives for improving the standards of teaching staff in our schools at NOIDA and PUNE.

Unrelenting efforts of our TEAM and highest standards of commitments by our employees assure us of a brighter and rewarding future.

Let me conclude by once again thanking all our employees, fellow share owners, business partners with whose support and wishes, we are sure to perform still better in the years to come.

With best wishes

Yours truly



Deepak Kothari

Place : Kanpur

Dated : 25th July, 2013

NOTICE :

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Kothari Products Limited will be held on Friday, the 13th September, 2013 at "Royal Cliff", 113/72, Swaroop Nagar, Opposite Motijheel Gate No.1, Kanpur at 11:30 A.M., to transact the following business:-

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Profit & Loss Account 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 Vikas Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri Mitesh Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
5. To re-appoint M/s. Mehrotra & Mehrotra, Chartered Accountants, retiring Auditors, as Auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS :

6. **To consider and if thought fit, to pass with or without modification(s), the following as a Special Resolution**

"RESOLVED THAT pursuant to sections 198, 269, 309, 310 & 311 read with schedule XIII of the Companies Act, 1956 and all other applicable provisions, if any, of the said Act, including any statutory modification(s) or re-enactment(s) thereof for the time being in force; Sri Deepak Kothari, be and is hereby re-appointed as Chairman & Managing Director of the Company for a period of three years w.e.f. 12th October, 2013, who shall not be liable to retire by rotation, on following terms & conditions :-

A. SALARY :

Rs.90,000/- P.M.

B. PERQUISITES :

Such perquisites listed below as may be mutually decided between the Board and Sri Deepak Kothari, shall be payable to him, subject to maximum of Annual salary.

CATEGORY – A

(i) HOUSING :

- (a) The expenditure by the Company on hiring furnished accommodation for the Chairman & Managing Director will be subject to the ceiling of sixty percent of the salary, over and above ten percent payable by the Chairman & Managing Director; or
- (b) In case the accommodation owned by the Company is provided, ten percent of the salary of the Managing Director shall be deducted by the Company; or
- (c) In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance, subject to the ceiling laid down in clause (a) herein above.

Explanation :

The expenditure by the Company on gas, electricity, water & furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Chairman & Managing Director.

(ii) MEDICAL REIMBURSEMENT :

Expenses incurred in India or abroad for Medical treatment of self & his family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

(iii) LEAVE TRAVEL CONCESSION :

Leave travel concession for self and his family once in a year to and from any place in India or abroad subject to the condition that only actual fare shall be reimbursed.

(iv) CLUB FEES :

Fees in respect of two clubs to be borne by the Company but not the admission or life membership fees payable to the clubs.

(v) PERSONAL ACCIDENT INSURANCE :

Accident Insurance for an amount the premium for which shall not exceed Rs.4,000/- per annum.

Explanation :

For the purpose of category – 'A', 'family' means the spouse, dependent children and dependent parents of the Chairman & Managing Director.

CATEGORY – B

(i) PROVIDENT FUND :

The Company's contribution to Provident Fund, as per rules of the Company, subject to a ceiling of 12% of the salary. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income-tax Act, 1961.

(ii) BONUS :

Payable as per Company Rules.

(iii) GRATUITY :

Gratuity not exceeding one-half month's salary for each completed year of service, subject to a ceiling of Rs. 3,50,000/-.

CATEGORY – C

(i) MOTOR CAR :

Free use of Car with driver for the Company's business, all the expenditure in connection therewith to be borne by the Company.

(ii) TELEPHONE :

Free telephone and fax facility at the residence.

Explanation :

Provisions of Car for use on the Company's business and telephone and fax at residence would not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose would be billed to the Chairman & Managing Director by the Company and reimbursed by him to Company.

OTHER ITEMS

(i) EARNED LEAVE :

One month's leave with full pay and allowance for every completed eleven months of service. However, leave accumulated and not availed of during his tenure as Chairman & Managing Director may be allowed to be encashed at the time of retirement as per the rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

(ii) REIMBURSEMENT OF EXPENSES :

Reimbursement of travelling, entertainment and other expenses incurred by him during the course of the business of the Company.

(iii) SITTING FEES :

He is not entitled to sitting fees for attending Meetings of the Board or of a Committee thereof.

(iv) TERMINATION CLAUSE :

The appointment shall be terminable by the Company giving to the Managing Director a notice of three months of such termination or on payment of three months salary in lieu thereof and by the Chairman & Managing Director by notice of three months to the Company.

C. COMMISSION :

In addition to the above salary and perquisites, commission @ 3% of Net profits of the Company in a particular financial year, will be payable annually.

OTHER CONDITIONS

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

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

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

7. To consider and if thought fit, to pass with or without modification(s), the following as a Special Resolution

“RESOLVED THAT pursuant to sections 198, 269, 309 & 310 read with schedule XIII of the Companies Act, 1956 and all other applicable provisions, if any, of the said Act, including any statutory modification(s) or re-enactment thereof for the time being in force, Sri Mitesh Kothari, be and is hereby re-appointed as Executive Director of the Company, for a period of three years w.e.f.1st October, 2013, who shall be liable to retire by rotation, on terms & conditions as mentioned below :-

A. SALARY :

Rs.75,000/- P.M.

B. PERQUISITES :

Such perquisites listed below as may be mutually decided between the Board and Sri Mitesh Kothari, shall be payable to him, subject to maximum of Annual salary.

CATEGORY – A

(i) HOUSING :

(a) The expenditure by the Company on hiring furnished accommodation for the Executive Director will be subject to the ceiling of sixty percent of the salary, over and above ten percent payable by the Executive Director; or

(b) In case the accommodation owned by the Company is provided, ten percent of the salary of the Executive Director shall be deducted by the Company ; or

- (c) In case no accommodation is provided by the Company, the Executive Director shall be entitled to house rent allowance, subject to the ceiling laid down in clause (a) herein above.

Explanation :

The expenditure by the Company on gas, electricity, water & furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Executive Director.

(ii) MEDICAL REIMBURSEMENT :

Expenses incurred in India or abroad for Medical treatment of self & his family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

(iii) LEAVE TRAVEL CONCESSION :

Leave travel concession for self and his family once in a year to and from any place in India or abroad subject to the condition that only actual fare shall be reimbursed.

(iv) CLUB FEES :

Fees in respect of two clubs to be borne by the Company but not the admission or life membership fees payable to the clubs.

(v) PERSONAL ACCIDENT INSURANCE :

Accident Insurance for an amount the premium for which shall not exceed Rs.4,000/- per annum.

Explanation :

For the purpose of category – 'A', 'family' means the spouse, dependent children and dependent parents of the Executive Director.

CATEGORY – B

(i) PROVIDENT FUND :

The Company's contribution to Provident Fund, as per rules of the Company, subject to a ceiling of 12% of the salary. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income-tax Act, 1961.

(ii) BONUS :

Payable as per Company Rules.

(iii) GRATUITY :

Gratuity not exceeding one-half month's salary for each completed year of service, subject to a ceiling of Rs. 3,50,000/-.

CATEGORY – C

(i) MOTOR CAR :

Free use of Car with driver for the Company's business, all the expenditure in connection therewith to be borne by the Company.

(ii) TELEPHONE :

Free telephone and fax facility at the residence.

Explanation :

Provisions of Car for use on the Company's business and telephone and fax at residence would not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose would be billed to the Executive Director by the Company and reimbursed by him to Company.

OTHER ITEMS

(i) EARNED LEAVE :

One month's leave with full pay and allowance for every completed eleven months of service. However, leave accumulated and not availed of during his tenure as Executive Director may be allowed to be encashed at the time of retirement as per the rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

(ii) REIMBURSEMENT OF EXPENSES :

Reimbursement of travelling, entertainment and other expenses incurred by him during the course of the business of the Company.

(iii) SITTING FEES :

He is not entitled to sitting fees for attending Meetings of the Board or of a Committee thereof.

(iv) TERMINATION CLAUSE :

The appointment shall be terminable by the Company giving to the Executive Director a notice of three months of such termination or on payment of three months salary in lieu thereof and by the Executive Director by notice of three months to the Company.

C. COMMISSION :

In addition to the above salary and perquisites, commission @ 3% of Net profits of the Company in a particular financial year, will be payable annually.

OTHER CONDITIONS

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

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

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

8. To consider and if thought fit, to pass with or without modification(s), the following as a Special Resolution

"RESOLVED THAT pursuant to sections 309 & 310 read with schedule XIII of the Companies Act, 1956 and all other applicable provisions, if any, of the said Act, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the sitting fees of each Non-Executive Director attending a Board meeting be increased from Rs.1000/- to Rs.3000/- per meeting on and from 1st October, 2013."

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

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

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

DATE : 23rd May, 2013

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.
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 Friday, the 6th September, 2013 to Friday, 13th September, 2013 (both days inclusive).
4. The Dividend for the year ended 31st March, 2013 as recommended by the Board, if approved by the members, will be paid to the physical members whose names appear in the Company's Register of Members on 5th September, 2013. 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.
5. THE MEMBERS HOLDING PHYSICAL SHARES ARE, IN THEIR OWN INTEREST, ADVISED TO SEND IMMEDIATELY REQUESTS FOR CHANGE OF ADDRESS AND BANK PARTICULARS, IF ANY, TO OUR REGISTRAR i.e. ALANKIT ASSIGNMENTS LTD., CORPORATE OFFICE, "ALANKIT HOUSE", 2E/21, JHANDEWALAN EXTENSION, NEW DELHI – 110 055, PHONE NOS. (011) 23541234 / 42541234 & FAX NOS. (011) 42541967 / 42541201. HOWEVER, THE MEMBERS HOLDING DEMAT SHARES ARE ADVISED TO IMMEDIATELY INTIMATE THE CHANGE OF ADDRESS AND BANK DETAILS TO THEIR CONCERNED DEPOSITORY PARTICIPANTS.
6. Those Members who have not encashed/received their Dividend warrants for the financial years 2005-06 onwards may approach 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.
7. Members are hereby also informed that Dividends which remain unclaimed/unencashed for a period of 7 years, from the date of transfer to the unpaid Dividend Accounts, have to be transferred by the Company u/s 205A to the Investors Education & Protection Fund (IEPF) constituted by the Central Government u/s 205C of the Companies Act, 1956. Further, under the amended provisions of Sec.205B of the Companies Act, 1956, no claim shall lie for the unclaimed Dividend from IEPF by the shareowners.

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 & 2004-05 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 2005-06 WILL BE TRANSFERRED TO THE INVESTOR EDUCATION & PROTECTION FUND, AS PER THE PROVISIONS OF SEC.205A (5) OF THE COMPANIES ACT, 1956 IN OCTOBER, 2013. FURTHER, NO CLAIM SHALL LIE, IN RESPECT OF THE AFORESAID DIVIDEND TRANSFERRED TO THE FUND, EITHER AGAINST THE COMPANY/ITS OFFICERS OR AGAINST THE GOVERNMENT.

8. Members desirous of getting any information at the meeting about the accounts and operations of the company are requested to send their query at the Registered office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
9. Section 109A of the Companies Act, 1956 has extended nomination facility to individuals holding shares in Companies. Shareowners, in particular, those holding shares as sole holder are advised to avail of the above facility in their own interest, by furnishing to the Company the particulars of their nominations. The prescribed application form may be obtained by the shareowners from the Company's Secretarial Department at its Registered Office.

10. Members are requested to bring their copies of Annual Report at the meeting. Please note that no gifts will be distributed at the meeting.
11. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notices/documents including Annual Reports can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with our Registrar, Alankit Assignments Ltd., “Alankit House”, 2E/21 Jhandewalan Extension, New Delhi – 110 055.

EXPLANATORY STATEMENT PURSUANT TO SEC 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.6

The Re-appointment of Sri Deepak Kothari as Managing Director of the Company was previously approved by the Members in its 24th Annual General Meeting held on 18th September, 2008 for a period of five years w.e.f. 12th October, 2008. He was thereafter re-designated as Chairman & Managing Director w.e.f. 30th January, 2010, due to resignation of the erstwhile Chairman Sri M.M. Kothari. His tenure will therefore come to an end on 11th October, 2013. In view of his vast expertise and rich experience in the field of International Trade, Real Estate Business etc., your Board of Directors has re-appointed him as Chairman & Managing Director for a further period of three years w.e.f. 12th October, 2013 on the terms and conditions as mentioned in the Special Resolution at item No. 6 of the notice. The aforesaid appointment and remuneration have been approved by the Remuneration Committee.

As the above stated Re-appointment requires approval of the Shareowners in a General Meeting by way of a Special Resolution, hence the Special Resolution at item No. 6 of the Notice.

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

None of the Directors other than Sri Deepak Kothari, appointee himself and Sri Mitesh Kothari, Executive Director of the Company, being the son of the Appointee are concerned or interested in the proposed Resolution.

ITEM NO. 7

The Re-appointment of Sri Mitesh Kothari as Executive Director of the Company was previously approved by the Members in its 24th Annual General Meeting held on 18th September, 2008 for a period of five years w.e.f. 1st October, 2008. His tenure will therefore come to end on 30th September, 2013.

Sri Mitesh Kothari, having done MBA from Buckingham University, has been associated with the Company since 1998 and accordingly he has been devoting his full time and attention to the Business of the Company and has got good exposure of almost all the Business activities of the Company. Your Board of Directors has therefore re-appointed him as Executive Director for a further period of three years w.e.f. 1st October, 2013 on the terms and conditions as mentioned in the Special Resolution at item No. 7 of the notice. The aforesaid appointment and remuneration have been approved by the Remuneration Committee.

As the above stated Re-appointment requires approval of Shareowners in a General Meeting by way of a Special Resolution, hence the item No. 7 of the Notice.

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

None of the Directors other than Sri Mitesh Kothari, appointee himself and Sri Deepak Kothari, Chairman & Managing Director of the Company, being the father of the Appointee are concerned or interested in the proposed Resolution.

ITEM NO. 8

All the Non-Executive Directors of the Company are being currently paid sitting fees of Rs. 1000/- for a Board Meeting attended by them. Keeping in view the Rate of Inflation and other monetary requirements and the Quality Time given by these Directors in the Board Meetings, the Board of Directors of the Company has decided to increase the sitting fees payable to all the Non-Executive Directors of the Company from Rs. 1000/- to Rs.3000/-.



As the above stated increase in remuneration of Non-Executive Directors by way of increase of Sitting Fees requires approval of Shareowners in General Meeting by way of Special Resolution, hence the Special Resolution at item No. 8 of the Notice.

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

None of the Directors other than Sri Pramod Kumar Tandon, Sri Vikas Chaturvedi & Dr. Avinash Gupta, who are entitled to such Sitting Fees, may be deemed to be concerned or interested in the proposed Resolution.

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

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

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

DATE : 23rd May, 2013

DIRECTORS' REPORT

TO THE MEMBERS:

The Board of Directors of your Company presents herewith its 29th Annual Report and Audited Accounts for the financial year ended 31st March, 2013. 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 31.03.2013	FINANCIAL YEAR ENDED 31.03.2012
Net Sales:	381768	321145
Other Income	16044	10804
Profit before Depreciation & Taxation	9276	7729
Less : Depreciation	150	85
Provision for Taxation:		
-Current Tax	3200	2400
-Deferred Tax	26	-6
-Tax Adjustments for earlier years	-7	-15
Profit after Tax	5907	5265
Add : Balance of Profit brought forward from previous year	28234	24652
Profit available for appropriation	<u>34141</u>	<u>29917</u>
APPROPRIATIONS		
Transfer to General Reserve	591	526
Proposed Dividend	1326	995
Additional Tax on Proposed Dividend	225	162
Balance of Profit carried forward	<u>31999</u>	<u>28234</u>
	<u>34141</u>	<u>29917</u>

2013 IN RETROSPECT :

Your Directors are to report that the Company's sales turnover during the year under review has increased to Rs.381768 Lacs from Rs.321145 Lacs during the previous financial year. The Profit before depreciation & tax during the year has also increased to Rs.9276 Lacs as against Rs.7729 Lacs in the previous year registering an increase of about 20%. The Profit after Tax has also increased to Rs.5907 Lacs as against Rs.5265 Lacs in the previous year registering an increase of about 12%.

INTERNATIONAL BUSINESS :

The Company's export during the year under review has increased to Rs.337526 Lacs as compared to Rs. 205375 Lacs during the previous year registering a whopping increase of about 64%.

DIVIDEND RECOMMENDED :

Your Directors have recommended a dividend of 200% (Rs. 20/- per Equity Share of Rs. 10/- each) subject to approval of shareowners in the ensuing Annual General Meeting of the Company absorbing 1551 Lacs (Inclusive of Additional Tax on dividend) as against dividend of 150% (Rs. 15/- per equity Share). The aforesaid Dividend is tax free in the hands of the shareowners.

SUBSIDIARIES :

The Company had till the end of last financial year ten subsidiaries namely Arti Web - Developers Pvt. Ltd., Sukhdham Constructions & Developers Ltd., MK Web-Tech Pvt. Ltd., KPL Exports Pvt. Ltd. & IMK Hotels 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. During the financial year under review one subsidiary was added namely Masscorp Limited but it had ceased to be a Subsidiary of the Company w.e.f. 25th March, 2013. Further, Arti Web-Developers Pvt. Ltd. has also ceased to be a Subsidiary of the Company w.e.f.

1st January, 2013. In accordance with the General Circular No.2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs granting general exemption under section 212 of the Companies Act, 1956, the detailed annual accounts and their attachments are not being published. However, the prescribed financial details of the aforesaid subsidiary companies have been disclosed in a separate statements 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. 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. The holding company shall furnish a hard copy of details of accounts of subsidiaries to any shareowner on demand. A Statement referred to in Clause (e) of sub Section 1 of Section 212 of the Act, disclosing the Company's interest in subsidiaries and other information as required is attached.

DIRECTORS :

Sri Vikas Chaturvedi & Sri Mitesh Kothari, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Sri Deepak Kothari, Chairman & Managing Director and Sri Mitesh Kothari, Executive Director of the Company will cease to hold their respective offices upto 11th October, 2013 and 30th September, 2013 respectively. The Board of Directors of your Company has, at its meeting held on 23rd May, 2013, proposed to re-appoint them on their respective posts subject to your approval in the ensuing Annual General Meeting for which necessary resolutions have been incorporated in the notice of the aforesaid meeting.

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 & U.P. Stock Exchange Association Ltd., Kanpur.

CORPORATE GOVERNANCE REPORT :

The report on the Corporate Governance as required under clause 49 of the Listing Agreement is included in this Annual Report under a separate section.

DIRECTORS' RESPONSIBILITY STATEMENT :

As required under Sec.217 (2AA) introduced by the Companies (Amendment) Act, 2000, your Directors confirm:

- (i) that in the preparation of the annual accounts, 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;
- (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, 1956 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 on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS REPORT :

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

a) INDUSTRY STRUCTURE AND DEVELOPMENTS :

Financial year 2012-13 witnessed global economic uncertainties and disturbances in many parts of the world. Several Countries experienced recessionary trends due to high unemployment, fiscal tightening and sluggish growth. Asian economies are also growing through considerably slow growth, deceleration in industrial output and exports.

The industry in which your company operate, is also facing challenging environment due to uncertainties in the global economy, Volatile Forex scenario and increasing current account deficit in the Indian economy. However, the Indian Government and RBI are taking various steps to address the problem of increasing current account deficit and to curb the Forex volatility. The Board is of view that these steps will boost the sentiments and instill the confidence of the industry.

b) OPPORTUNITIES & THREATS :

The phase of general sluggish economic scenario gave us opportunities to consolidate/reconfigure our Business

activities for better future growth, in the process, weeding out under/non performing ventures. The opportunities for the Trading & Real Estate Industries are tremendous. Thus, the future of the Company appears to be bright. However, the Trading Industry may face the risk of facing a ban on the import/export of any item by the Central/ State Governments, any hike in the interest rates by the Reserve Bank of India, foreign Exchange fluctuations risks etc. and the Real Estate Industry may face the Risk of Interest Rates hikes or any other Governmental rules which may be enforced which may prove to be detrimental for the growth of Real Estate Industry.

c) FINANCIAL PERFORMANCE :

We have registered an impressive growth in our sales volume in the international trade during the last completed financial year whereas the real estate sector remained stagnant. The Company's sales have increased to Rs.381768 Lacs during the period under review as against Rs.321145 Lacs during the previous financial year. The profit before tax and depreciation during the year has also increased to Rs.9276 Lacs as against Rs.7729 Lacs in the previous year. The profit after tax has also increased to Rs.5907 Lacs as against Rs.5265 Lacs during the previous financial year. Profitability of the Company has increased in trading division from Rs. 7104 Lacs to Rs.9848 Lacs whereas in Real Estate segment the profit has decreased to Rs.956 Lacs from Rs. 1443 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 :

In view of the aforesaid robust performance of the Trading Division of the Company & the turnaround expected in the Real Estate Sector due to various reforms expected to be taken by the Government at various levels, the outlook of the company seems to be very bright.

e) RISKS AND CONCERNS :

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

f) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has 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.

g) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT :

Human Resource is the most important elements 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, 2013 the Company has 47 employees on its roll.

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 appointment, if made, would be within the prescribed limits of Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

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

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; | } | The Company's trading items are being exported |
| initiatives taken to increase exports; | } | directly or through Merchant Exporters to various |
| Development of new export markets for | } | countries. This Year the Company got the opportunity |
| Trading Items and Export Plans | } | to export Indian Yellow Corns to Vietnam and Indonesia. |
| | } | The Company is also planning export of various minerals, metal |
| | } | products and other Agri Products. |
| | } | The Company is also Exporting Ceramic Tiles, |
| | } | Note Books, Copies, Papers, etc. to South America. |

(Amount in ₹ Lacs)

	CURRENT YEAR	PREVIOUS YEAR
b) Earning in Foreign Exchange	337526	205375
c) Expenditure in Foreign Currency	358075	255132
d) Imports of goods for trading	358068	255117
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.217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975 as amended, is Nil.

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

PLACE : KANPUR
DATE : 23rd May, 2013

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 and three Non-Executive & Independent Directors as on 31st March 2013, 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 three Non-Executive Directors. Its composition as on 31st March, 2013 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	10	NIL	Executive & Non-Independent (Promoter)	Chairman & Managing Director
SRI MITESH KOTHARI	9	NIL	-do-	Executive Director
DR.AVINASH GUPTA	2	NIL	Independent & Non-Executive Director	Director
SRI PRAMOD KUMAR TANDON	5	NIL	-do-	Director
SRI VIKAS CHATURVEDI	NIL	NIL	-do-	Director

*The no. of other Directorships held by Directors as mentioned above, do not include Directorship 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 Shareowners'/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	6	6	Present
Sri Mitesh Kothari	6	5	Present
Dr. Avinash Gupta	6	1	Present
Sri Pramod Kumar Tandon	6	4	Present
Sri Vikas Chaturvedi	6	3	Present

NO. OF MEETINGS HELD DURING THE YEAR & DATES

During the financial year 2012-13 six (6) Board Meetings were held. The dates on which the said Meetings were held are given below:

12th April, 2012, 29th May, 2012, 14th August, 2012, 12th November, 2012, 29th January, 2013 & 8th February, 2013.

AUDIT COMMITTEE

The composition of the Audit Committee of the Company as on 31st March, 2013 was as under:-

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

Sri A. N. Rastogi, Auditor & Sri Rajeev Porwal, G.M. (Finance) 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 292-A of the Companies Act, 1956, 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.

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.

REMUNERATION POLICY

The Company has two whole time Directors on its Board whose appointment, terms thereof as well as remuneration have been approved by the Members in the General Meetings and also by the remuneration committee of Directors, pursuant to the provisions of Schedule XIII to the Companies Act, 1956. Further the Company has three Non-Executive Directors whose remuneration is decided by the Board of Directors and Member's approval for the same has been obtained in the 19th Annual General Meeting, pursuant to amended clause 49 of the Listing Agreement. 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	Dr. Avinash Gupta	Mr. Pramod Kumar Tandon	Mr. Vikas Chaturvedi
Salary	10,80,000	9,00,000	-	-	-
Gratuity	51,923	43,269	-	-	-
Perquisites	8,71,252	8,44,252	-	-	-
Commission	-	-	-	-	-
Sitting Fees	-	-	1,000	4,000	3,000

SHAREOWNERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareowners'/Investors' Grievance Committee has been constituted 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.. Constitution of the Committee as on 31st March, 2013 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 : 13
- 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, 2013.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Only Dr. Avinash Gupta holds 500 shares in the Company. No other Non Executive Director holds any shares in the Company.

REMUNERATION COMMITTEE

The Company has set-up remuneration committee, pursuant to the provisions of Schedule XIII to the Companies Act, 1956 & clause 49 of the Listing Agreement, which consists of three Non-Executive Directors as on 31st March, 2013 viz. Sri Pramod Kumar Tandon as its Chairman, Sri Vikas Chaturvedi & Dr. Avinash Gupta as its Members. The committee has been constituted to approve the remuneration of the Executive Directors of the Company. The present remuneration of the Executive Directors of the company has been approved by the remuneration committee.

GENERAL BODY MEETINGS

Venue, Date & Time Where Last 3 AGMs Were Held

Meeting	Date	Time	Venue
28th AGM	21.09.2012	11:30 A.M.	"ROYAL CLIFF",113/72, SWAROOP NAGAR, OPPOSITE MOTIJHEEL GATE NO.1, KANPUR
27th AGM	23.09.2011	11:30 A.M.	"ROYAL CLIFF",113/72, SWAROOP NAGAR, OPPOSITE MOTIJHEEL GATE NO.1, KANPUR
26th AGM	21.09.2010	11:30 A.M.	LITTLE CHEF, CIVIL LINES, KANPUR

Details of Special Resolution(s) passed in the previous 3 Annual General Meetings:-

Annual General Meeting	No. of Special Resolutions
28th	NIL
27th	2
26th	NIL

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

At the 27th Annual General Meeting held on September 23rd, 2011, two Special Resolutions were passed pertaining to alteration of Memorandum of Association and Articles of Association respectively relating to the corrections regarding the spelling and grammatical errors. The resolutions were put to vote by show of hands and were passed unanimously.

At the 26th Annual General Meeting held on September 21st, 2010, no Special Resolution was passed.

DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

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

EXTRA ORDINARY GENERAL MEETING

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

DISCLOSURES

- During the financial year 2012-13, the company had no materially significant related party transactions which may have potential conflict with the interests of the company at large.
- Whistle Blower Policy - Every employee of the Company has been given the right to approach the audit committee if he observes an unethical or improper practice (not necessarily a violation of law), without necessarily informing his supervisor. Further, no personnel of the Company has been denied access to the audit committee.
- 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.

MEANS OF COMMUNICATION

- i. Quarterly, Half yearly & Annual results are : Financial Express (All Editions) Amar Ujala or normally Published in following newspapers. Hindustan, Kanpur Edition
- ii. Any website, where displayed : Annual & Quarterly Financial Results are Displayed on Company's website, i.e. <http://www.kothariproducts.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

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

1. The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as on 31st March, 2013.
2. Adoption /Non-Adoption of non-mandatory requirements as at 31st March, 2013
 - a) 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. Further, the Company has not adopted the requirement of Independent Directors tenure not to exceed period of nine years on the Board of the Company.
 - b) The Company has set-up a Remuneration Committee as per details mentioned in the preceding pages of this report.
 - c) 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 Shareowners.
 - d) The Auditors have issued an unqualified opinion for the year ended 31st March, 2013.
 - e) The Board of Directors of the Company consists of an optimal blend of Company's Executives and Independent Professional having an in-depth expertise of International Trade and Real Estate Business and expertise in their area of specialization.
 - f) Presently the Company does not have a mechanism for evaluating its non-executive Directors by peer group comprising of the entire Board of Directors.
 - g) Presently the Company has a Whistle Blower Policy in place. However, no employee has been denied access to the Audit Committee.

GENERAL SHAREOWNER INFORMATION

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

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

NAME OF DIRECTOR	Sri Vikas Chaturvedi	Sri Mitesh Kothari	Sri Deepak Kothari
DATE OF BIRTH	05.07.1963	26.08.1976	26.06.1951
DATE OF APPOINTMENT	21.09.2010	01.10.2008	12.10.2008
QUALIFICATION	B.Sc.	MBA	MA (English)
EXPERTISE IN SPECIFIC FUNCTIONAL AREAS	He has a rich Business Experience	He has got a rich business experience in almost all the functional areas of the Company.	He plays a crucial role in the overall management of Kothari Group with his rich experience and knowledge.
DIRECTORSHIPS HELD IN OTHER COMPANIES*	Nil	<ol style="list-style-type: none"> 1. Blackplinth Realtors Pvt. Ltd. 2. IMK Hotels Pvt. Ltd. 3. Kothari Detergents Ltd. 4. KPL Exports Pvt. Ltd. 5. Pan Parag India Ltd. 6. Riverview Land Developers Pvt. Ltd. 7. Savitrimata Realtors Pvt. Ltd. 8. Sukhdham Constructions & Developers Ltd. 9. Warasgaon Lake View Hotels Ltd. 	<ol style="list-style-type: none"> 1. Blackplinth Realtors Pvt. Ltd. 2. IMK Hotels Pvt. Ltd. 3. Kothari Detergents Ltd. 4. KPL Exports Pvt. Ltd. 5. Kothari Products Singapore Pvt. Ltd. 6. Pan Parag India Ltd. 7. Riverview Land Developers Pvt. Ltd. 8. Savitrimata Realtors Pvt. Ltd. 9. Sukhdham Constructions & Developers Ltd. 10. Warasgaon Lake View Hotels Ltd.
COMMITTEE POSITIONS HELD IN OTHER COMPANY	Nil	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.

ANNUAL GENERAL MEETING

- **Date** : Friday, 13th September, 2013
- **Time** : 11:30 A.M.
- **Venue** : "Royal Cliff", 113/72, Swaroop Nagar, Opposite Moti Jheel, Gate No.1, Kanpur
- **Financial Calendar** : 1st April to 31st March
- **Dates of Book Closure** : 6th September, 2013 to 13th September, 2013 (Both days inclusive)
- **Dividend Payment Date** : 23rd September, 2013 (subject to approval of Shareowners).
- **Stock Exchanges where the shares are listed** : U.P. Stock Exchange Association Ltd., Kanpur, 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.

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

MONTH	HIGH (Amount in Rs.)	LOW (Amount in Rs.)
APRIL 2012	441	400
MAY 2012	445	396
JUNE 2012	444.9	410
JULY 2012	434	382.3
AUGUST 2012	427.45	398.05
SEPTEMBER 2012	425	373.3
OCTOBER 2012	409	380
NOVEMBER 2012	410	370.4
DECEMBER 2012	400	381.3
JANUARY 2013	444	369
FEBRUARY 2013	425	355
MARCH 2013	379	315.5

REGISTRAR AND TRANSFER AGENTS 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 House" 2E/21 Jhandewalan Extension, New Delhi – 110 055

Telephone Nos. (011)23541234 & 42541234

Fax Nos. (011) 42541967 & 42541201, E-mail : rta@alankit.com, info@alankit.com, Website : www.alankit.com

• DISTRIBUTION OF SHAREHOLDING

The Shareholding distribution of equity shares as on 31st March, 2013 is given below:

No. of Equity shares held	No. of Shareowners		No. of Shares held in		% of Equity Capital held in	
	No. of Shareowners	% of Shareowners	Physical form	Demat Form	Physical Form	Demat Form
1 – 500	5614	96.56	44551	321428	0.67	4.85
501 - 1000	103	1.77	6600	67934	0.10	1.02
1001 - 5000	70	1.20	7100	130938	0.11	1.97
5001 - 10000	5	0.09	0	32322	0.00	0.49
10001 - 20000	9	0.16	0	126477	0.00	1.91
20001 - 30000	2	0.03	28700	27669	0.43	0.42
30001 - 40000	0	0.00	0	0	0.00	0.00
40001 - 50000	0	0.00	0	0	0.00	0.00
50001 - 100000	3	0.05	0	265900	0.00	4.01
100001 - 500000	5	0.09	0	1155330	0.00	17.42
500001 - Above	3	0.05	0	4417021	0.00	66.60
Total	5814	100	86951	6545019	1.31	98.69

Shareholding Pattern of the Company as on 31st March, 2013:

CATEGORY	NO.OF SHARES HELD	% OF HOLDING
PROMOTERS & PROMOTER GROUP	4973968	75.00
INDIAN PUBLIC – INDIVIDUALS	607392	9.16
INDIAN PUBLIC – CORPORATE BODIES	1016762	15.33
FOREIGN HOLDING	33848	0.51
(i) FII	444	0.01
(ii) NRI(s)	33404	0.50
TOTAL	6631970	100.00

• DEMATERIALISATION OF SHARES AND LIQUIDITY

Nearly 98.69% of total Equity Share Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2013. 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**

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

The Share Department
KOTHARI PRODUCTS LTD.
“PAN PARAG HOUSE”

24/19, The Mall, KANPUR - 208 001 (U.P.)

PHONE NOS.- 0512-2312171-74 FAX NO. -0512-2312058 Email - rkgupta@kothariproducs.in

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

Alankit Assignments Ltd.
(Unit : Kothari Products Ltd.)
Corporate Office
“Alankit House”

2E/21 Jhandewalan Extension, New Delhi – 110 055

Telephone Nos. (011)23541234 & 42541234 Fax Nos. (011) 42541967 & 42541201

E-mail : rta@alankit.com, info@alankit.com

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



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Kothari Products Limited

We have examined the compliance of conditions of Corporate Governance by Kothari Products Limited, for the year ended on 31st March, 2013 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/-
(A. N. RASTOGI)
PARTNER

PLACE : KANPUR
DATE : 23rd May, 2013

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, 2013, compliance with the code of conduct of the Company laid down for them.

Sd/-
(Deepak Kothari)
Chairman & Managing Director

PLACE : KANPUR
DATE : 23rd May, 2013



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

We, Deepak Kothari, Chairman & Managing Director and Rajeev Porwal, G.M. (Finance) of Kothari Products Ltd., certify:-

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2013 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/-
(Rajeev Porwal)
G.M. (Finance)

Place : Kanpur
Date : 23rd May, 2013

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, 2013, 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 211(3C) of the Companies Act, 1956 ("the Act"). 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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, 2013;
- (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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(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 report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 and taken on records by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

(A. N. Rastogi)
PARTNER

Membership No. 070168

Place: Kanpur
23rd May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- (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 seven subsidiary companies and two associate Companies and total year end balances were 23754 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.748 lacs except this the company has taken no loans or advances from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (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) (a) To the best of our knowledge and according to the information and explanations given to us, the contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered;

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Act and exceeding the value of Rs. 5 lacs in respect of each party during the year have been made at prices which appear reasonable, having regard to the prevailing market prices at the relevant time;
- (vi) The Company has not accepted any deposits from the public. Therefore, reporting under clause 4(vi) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.
- (vii) The Company has integrated Internal Control cum audit system which involves reasonable internal audit which is considered by us to be commensurate with size and nature of its business.
- (viii) The maintenance of cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 are not applicable to the Company.
- (ix) 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, 2013 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, 2013.
- (x) The Company does not have any accumulated losses and it has not incurred cash losses during the financial year during the year and immediately preceding financial year.
- (xi) As per information and explanations given by the management, in our opinion the Company has not defaulted in repayment of loan taken from financial institution or banks.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, the reporting under Clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the reporting under clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
- (xv) The Company has given guarantees for loans taken from banks and financial institutions by one of its subsidiary companies and two of its associate companies. 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.
- (xvi) The Company has not taken any term loan during the year.
- (xvii) As per information and explanations given to us, funds raised for short term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) 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.

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

(A. N. Rastogi)
PARTNER

Membership No. 070168

Place: Kanpur
23rd May, 2013

BALANCE SHEET AS AT 31st MARCH, 2013

	NOTE	As at 31.03.2013 (Amount in ₹ Lacs)	As at 31.03.2012 (Amount in ₹ Lacs)
I. EQUITY AND LIABILITIES			
(1) Shareowners' Funds			
(a) Share Capital	2	663	663
(b) Reserves and Surplus	3	67487	63131
(2) Non-Current Liabilities			
Deferred Tax Liabilities (Net)	4	73	47
(3) Current Liabilities			
(a) Short Term Borrowings	5	18895	11487
(b) Trade Payables	6	164219	146467
(c) Other Current Liabilities	7	63313	69613
(d) Short Term Provisions	8	8852	6706
Total		<u>323502</u>	<u>298114</u>
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	2505	1273
(ii) Capital WIP		0	804
(b) Non-current Investments	10	16753	18121
(c) Long Term Loans and Advances	11	11054	16063
(2) Current Assets			
(a) Current Investments	12	2168	520
(b) Inventories	13	7288	10564
(c) Trade Receivables	14	122799	108544
(d) Cash and Cash Equivalents	15	136939	128820
(e) Short Term Loans and Advances	16	23996	13405
Total		<u>323502</u>	<u>298114</u>
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

(A.N. RASTOGI)
Partner
Membership No. 070168

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(DEEPAK KOTHARI)
Chairman & Managing Director

Place : Kanpur
Date : 23rd May, 2013

(RAJEEV PORWAL)
GM (Finance)

(MITESH KOTHARI)
Executive Director

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	NOTE	For the Year Ended 31.03.2013 (Amount in ₹ Lacs)	For the Year Ended 31.03.2012 (Amount in ₹ Lacs)
I. REVENUE FROM OPERATIONS :			
Revenue From Operations	17	395318	330334
Other Income	18	2494	1615
Total Revenue		397812	331949
II. EXPENSES :			
Purchases of Stock-in-trade	19	364248	309390
Increase (-) / Decrease (+) in Inventories of Stock-in-trade	20	3276	-5755
Employee Benefit Expenses	21	126	116
Finance Cost	22	1678	903
Depreciation and Amortization Expenses	9	150	85
Other Expenses	23	19208	19566
Total Expenses		388686	324305
III. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS :			
		9126	7644
(There is no discontinuing operation)			
Less : Tax Expenses :			
1) Current Tax		3200	2400
2) Deferred Tax		26	-6
3) Excess Provision of Income for Earlier Year (Net)		-7	-15
IV. PROFIT FOR THE YEAR :		5907	5265
V. BASIC & DILUTED EARNING PER SHARE (in Rs.) :			
(a) Basic		89.07	79.38
(b) Diluted		89.07	79.38

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

(A.N. RASTOGI)
Partner
Membership No. 070168

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(DEEPAK KOTHARI)
Chairman & Managing Director

Place : Kanpur
Date : 23rd May, 2013

(RAJEEV PORWAL)
GM (Finance)

(MITESH KOTHARI)
Executive Director

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, 1956.

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 at the rates prescribed by the Schedule XIV to the Companies Act, 1956 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.
- (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 and Loss. Profit or Loss on sale of investments is determined on a first-in-first-out (FIFO) basis.

1.6. TRANSACTIONS IN FOREIGN CURRENCY :

a) Initial recognition :

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

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

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

c) Forward Exchange Contracts :

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

1.7. REVENUE RECOGNITION:

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

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

Interest income is recognised on the time proportion basis.

1.8. EMPLOYEE RETIREMENT BENEFITS :

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

1.9. PROVISIONS FOR TAXATION:

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

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

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

1.10. PROVISIONS & CONTINGENCIES:

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

1.11. EARNING PER SHARE:

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

1.12. PROPOSED DIVIDEND:

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

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
31.03.2013
(Amount in ₹ Lacs)

As at
31.03.2012
(Amount in ₹ Lacs)

Note : 2

Share Capital

AUTHORISED :

11000000 Equity Shares of Rs.10/- each	1100	1100
ISSUED, SUBSCRIBED AND PAID UP :		
6631970 Equity Shares of Rs.10/- each fully paid up	663	663
TOTAL	663	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 31.03.2013		As at 31.03.2012	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
Equity Share of Rs.10/- each fully paid up:-				
Opening Balance	6631970	663	6631970	663
Fresh Issue	-	-	-	-
Bonus	-	-	-	-
ESOP	-	-	-	-
Conversion	-	-	-	-
Buy Back	-	-	-	-
Other Changes	-	-	-	-
Closing Balance	6631970	663	6631970	663

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

Class of shares/Name of Shareowners	As at 31.03.2013		As at 31.03.2012	
	Number of shares held	Holding %	Number of shares held	Holding %
Equity Share of Rs.10/- each fully paid up:-				
a) Mrs. Arti D Kothari	631772	9.53%	631772	9.53%
b) Mr. Deepak Kothari jointly with Mrs. Arti D. Kothari (As on 31.03.2012, out of 3051916 shares 2751916 shares were held in the name of Mr. Deepak Kothari)	3051916	46.02%	3051916	46.02%
c) Mitesh Kothari (HUF)	406244	6.13%	406244	6.13%
d) Dham Securities Pvt. Ltd.	733333	11.06%	733333	11.06%
e) Parag Kumar Kishor Kumar Shah jointly with Yogesh Natwarlal Shah and Dinesh Chandra Mohanlal Shah	0	0.00%	375581	5.66%
f) Magnus Properties Pvt. Ltd.	375581	5.66%	0	0.00%

As at
31.03.2013
(Amount in ₹ Lacs)

As at
31.03.2012
(Amount in ₹ Lacs)

Note : 3

Reserves and Surplus

(a) Preference Shares Redemption Reserve

As per last Balance Sheet	3	3
Closing balance	3	3

(b) General Reserve

As per last Balance Sheet	34894	34368
Add : Transferred from Statement of Profit & Loss	591	526
Less : Utilised during the year	0	0
Closing balance	35485	34894

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

As per last Balance Sheet	28234	24652
Add-Profit for the year	5907	5265
	34141	29917
Less-Appropriations		
Transfer to General Reserve	591	526
Proposed Dividend on Equity Shares	1326	995
Provision for Tax on Proposed Dividend	225	162
Closing balance	31999	28234
TOTAL	67487	63131

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

	73	47
TOTAL	73	47

Note : 5

Short Term Borrowings

5 (a) Secured:

Overdraft against TDRs from Nationalised Banks	15383	10745
Cash Credit Limits from Nationalised Banks	23	35
Export Packing Credit Limits from Nationalised Banks	2741	707
TOTAL	18147	11487

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 Bangalore 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 and fixed assets, ranking pari passu with other multiple bankers.

Collateral Securities:

Term Deposit worth Rs. 400 lacs, equitable mortgage of property at Noida and personal guarantee of two directors. Corporate guarantee by a wholly owned Subsidiary Company.

Canara Bank:

Prime Securities:

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

Collateral Securities:

Equitable mortgage of property at Bangalore owned by an other Company. Term Deposit of Rs. 403 lacs, personal guarantee of two directors and corporate guarantee by a wholly owned Subsidiary Company. Corporate guarantee by two other companies.

Punjab National Bank:

Prime Securities:

Hypothecation charge on current assets of the company.

Collateral Securities:

Equitable mortgage of property at Bangalore owned by wholly owned subsidiary and personal guarantee of two directors. 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 Term 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:

Term Deposit worth Rs. 100 lacs, equitable mortgage of property at Bangalore owned by a other company and personal guarantee of two directors. Corporate guarantee by a wholly owned Subsidiary Company and by two other companies.

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

	As at 31.03.2013 (Amount in ₹ Lacs)	As at 31.03.2012 (Amount in ₹ Lacs)
5(b) Unsecured:		
Loans and Advances from Related Parties		
From Directors	<u>748</u>	<u>0</u>
TOTAL	<u>748</u>	<u>0</u>
GRAND TOTAL	<u>18895</u>	<u>11487</u>

Note : 6

Trade Payables

Trade Payables (including acceptances)	<u>164219</u>	<u>146467</u>
TOTAL	<u>164219</u>	<u>146467</u>

As at
31.03.2013
(Amount in ₹ Lacs)

As at
31.03.2012
(Amount in ₹ Lacs)

Note : 7

Other Current Liabilities

Advance Against Orders	62533	69304
Due to Directors	34	24
Unpaid/ Unclaimed Dividend	19	18
Statutory Liabilities	48	39
Outstanding Liabilities	679	228
TOTAL	63313	69613

Note : 8

Short Term Provisions

Provision for Taxation	7301	5550
Proposed Dividend	1326	995
Tax on Proposed Dividend	225	161
TOTAL	8852	6706

NOTE : 9

Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at	Additions	Transfer	As at	Up To	For the	Adjust-	Up To	As at	As at
	31.03.12			31.03.13	31.03.12	year	ment	31.03.13	31.03.13	31.03.12
Tangible Assets										
Freehold Land	762	232	0	994	251	0	0	251	743	511
Building (Office)	273	980	0	1253	60	20	0	80	1173	213
Motor Cars/Scooter	728	133	13	848	307	81	7	381	467	421
Computers	23	1	0	24	14	4	0	18	6	9
Office Equipment	126	3	0	129	34	6	0	40	89	92
Temporary Structure	40	37	0	77	40	37	0	77	0	0
Furniture & Fixture	35	2	0	37	8	2	0	10	27	27
TOTAL	1987	1388	13	3362	714	150	7	857	2505	1273
Previous Year	1923	64	0	1987	629	85	0	714	1273	

Quantity (Nos.)		(Amount in ₹ Lacs)	
As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012

NOTE : 10

Non Current Investments

A. Quoted - Non Trade

I. Equity Shares, Each, Fully Paid-up

Aptech Ltd. of Rs.10/-	0	60000	0	114
Asian Paints Ltd. of Rs.10/-	0	2500	0	79
Alstom India Ltd. of Rs.10/-	52384	54721	396	415
Axis Bank Ltd. of Rs.10/-	7000	0	97	0
Bajaj Finance Ltd. of Rs.10/-	17210	0	229	0
Bata India Ltd. of Rs.10/-	19500	0	172	0
Bombay Rayon Fashions Ltd. of Rs.10/-	53853	0	141	0
Britania Industries Ltd. of Rs.2/-	35000	0	177	0
Camson Biotechnologies Ltd. of Rs.10/-	376425	400000	229	243
Castrol India Ltd. of Rs.10/-	0	8500	0	44
Crompton Greaves Ltd. of Rs.2/-	0	173092	0	548
Cummins India Ltd. of Rs.2/-	108344	123425	549	661
DB Realty Ltd. of Rs.10/-	205000	0	145	0
Dhanlaxmi Bank Ltd. of Rs.10/-	215000	237429	359	403
Exide Industries Ltd. of Re.1/-	86856	105000	122	160
Glenmark Pharmaceuticals Ltd. of Re.1/-	10000	0	52	0
Gujarat State Petronet Ltd. of Rs.10/-	0	425000	0	499
Greaves Cotton Limited of Rs. 2/-	128004	247588	117	220
Godrej Consumer Products Ltd. of Re.1/-	3000	0	22	0
Hero Motocorp Ltd. of Rs.2/-	0	4000	0	89
Hindalco Industries Ltd. of Re.1/-	0	30000	0	49
ICICI Bank Ltd. of Rs.10/-	2500	0	29	0
IDFC Ltd. of Rs.10/-	128500	285000	230	557
India Infoline Ltd. of Rs.2/-	25000	0	16	0
IVRCL Ltd. of Rs.2/-	0	16667	0	10
JSW Steel Ltd. of Rs.10/-	0	77500	0	932
Jubliant Foodworks Ltd. of Rs.10/-	7500	0	95	0
Jyothy Laboratories Ltd. of Re.1/-	78000	0	128	0
Karur Vysya Bank Ltd. of Rs. 10/-	68046	94553	272	420
Lupin Ltd. of Rs.2/-	19000	0	116	0
M&M Financial Services Ltd. of Rs.2/-	80000	0	174	0
Mandhana Industries Ltd. of Rs.10/-	113500	0	283	0
Marico Ltd. of Re.1/-	50500	0	112	0
Mindtree Ltd. of Rs.10/-	7500	0	56	0
Motherson Sumi Systems Ltd. of Re.1/-	100000	0	192	0
NHPC Ltd. of Rs.10/-	0	167396	0	60
NIIT Technologies Ltd. of Rs.10/-	30000	0	81	0
Pidilite Industries Ltd. of Re.1/-	83000	0	177	0
Power Finance Corporation Ltd. of Rs.10/-	0	110771	0	389
Prakash Industries Ltd. of Rs.10/-	54007	0	18	0
Rallis India Ltd. of Re.1/-	102510	0	156	0
Rural Electrification Corporation Ltd. of Rs.10/-	0	177089	0	627
State Bank of India of Rs. 10/-	15	15	0	0
Sun Pharmaceutical Industries Ltd. of Re.1/-	0	5000	0	28
Sun TV Network Ltd. of Rs.5/-	0	20000	0	68
Tata Consultancy Services Ltd. of Re. 1/-	0	20000	0	252
Titan Industries Ltd. of Re.1/-	25000	0	72	0

NOTE : 10 CONTINUED

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
Torrent Pharmaceuticals Ltd. of Rs.5/-	10300	0	77	0
Uflex Ltd. of Rs. 10/-	492056	508726	498	532
United Spirits Ltd. of Rs.10/-	0	10000	0	111
Welspun India Ltd. of Rs.10/-	34582	0	24	0
Whirlpool of India Ltd. of Rs.10/-	125000	125000	394	394
WIPRO Ltd. of Rs.2/-	0	30000	0	134
Wockhardt Ltd. of Rs.5/-	7379	0	143	0
Zylog Systems Ltd. of Rs.5/-	90000	49321	252	277
Aggregate Cost	TOTAL (A)		6402	8315
Aggregate Market Value			5284	5961
B. Unquoted				
I. Non-trade				
(a) Capital Contribution in India Growth Fund			373	401
(b) Application Money for Shares			3036	3483
(c) Equity Shares of Bio- Ethanol Agro Industries Ltd. of Rs. 10/- each fully paid-up	500000	500000	175	175
II. Trade				
(a) Investments in Equity Shares of wholly owned subsidiary Companies, each Fully paid up				
Arti Web Developers Private Ltd. of Rs.10/-	0	50000	0	1
IMK Hotels Private Ltd. of Rs. 10/-	250000	250000	301	301
M.K. Web Tech Private Ltd. of Rs. 10/-	250000	250000	190	190
KPL Exports Private Ltd. of Rs. 10/-	1000000	50000	100	5
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	12000	3	1
Riverview Land Developers Pvt. Ltd. of Rs.10/-	90000	90000	9	9
Savitrimata Realtors Pvt. Ltd. Class B Shares of Rs. 10/-	25500	25500	107	107
Kothari Products Singapore Pte. Ltd. of SGD1/-	10000000	10000000	3746	3746
(c) Investments in Equity Shares of other Companies, each Fully paid up				
Bhojeswar Realtors Private Ltd. of Rs.10/-	10000	10000	1	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/-	10000	10000	1	1
(d) Investment in Preference Shares of other companies, each fully paid-up of Rs.10/- each				
0.001% Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1057799	802486	1391	767
0.001% Optionally Convertible Redeemable Preference Shares of Hara Parvati Realtors Pvt. Ltd.	849233	849233	591	591
(e) Others				
National Savings Certificate (Deposited with Commercial Tax)			0	0
1% Unsecured Non Convertible Debentures of Real Griha Nirman Private Limited of Rs.1000/-	30000	0	300	0
	TOTAL (B)		10351	9806
	TOTAL (A+B)		16753	18121

As at
31.03.2013
(Amount in ₹ Lacs)

As at
31.03.2012
(Amount in ₹ Lacs)

Note : 11

Long Term Loans and Advances (Unsecured, Considered Good)

(a) Security Deposits	8	7
(b) Loans & Advances to related parties		
(i) Loans to Associate Companies	3146	7836
(ii) Loans to Subsidiaries:-		
- Sukhdham Construction & Developers Ltd.	975	0
- Savitrimata Realtors Pvt. Ltd.	2247	2028
- Kothari Products Singapore Pte Ltd.	0	2306
- Riverview Land Developers Pvt. Ltd.	1100	1000
- M.K. Web Tech Pvt. Ltd.	636	835
- IMK Hotels Pvt. Ltd.	599	552
- Blackplinth Realtors Pvt. Ltd.	590	0
(c) Other Loans & Advances		
- Advances for Properties	567	67
- Loans to Others	1186	1432
TOTAL	11054	16063

	Quantity (Nos.)		Amount in ₹ Lacs
	As at	AS AT	As at
	31.03.2013	31.03.2012	31.03.2013
			AS AT
			31.03.2013
			31.03.2012

Note : 12

Current Investments

Mutual Funds (units, each, fully paid up)

HDFC Cash Management Fund-Treasury Advantage Plan Wholesale-Weekly Dividend of Rs.10/-	0	5055558.480	0	507
HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Weekly Dividend of Rs.10/-	135022.549	127173.758	13	13
Baroda Pioneer Treasury Advantage Fund Plan A-Growth of Rs.1000/-	15083.928	0	200	0
Birla Sun Life Income Plus-Regular Plan-Growth of Rs.10/-	375814.813	0	200	0
HDFC Liquid Fund- Direct Plan- Growth Option of Rs.10/-	323277.261	0	75	0
ICICI Prudential Income Plan-Regular Plan-Growth of Rs.10/-	538663.952	0	200	0
IDFC Super Saver Income Fund-Investment Plan-Regular Plan-Growth of Rs.10/-	704542.893	0	200	0
Reliance Dynamic Bond Fund-Growth of Rs.10/-	1271698.353	0	200	0
Reliance Liquid Fund of Rs.1000/-	23892.236	0	680	0
Reliance Money Manager of Rs.1000/-	12540.334	0	200	0
Templeton India Short Term Income Plan-Growth of Rs.1000/-	8519.044	0	200	0
Aggregate Cost	TOTAL		2168	520
Aggregate Market Value			2173	520

Note : 13

Inventories

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

Trading Items	2145	4794
Real Estate (Work-in-progress)	5143	5770
TOTAL	7288	10564

As at
31.03.2013
(Amount in ₹ Lacs)

As at
31.03.2012
(Amount in ₹ Lacs)

Note : 14

Trade Receivables (Unsecured Considered good)

(a) Debts outstanding for over six months	24073	26
(b) Other debts	98726	108518
TOTAL	122799	108544

Note : 15

Cash & Cash Equivalent

Cash & Bank Balances:

(a) Cash in hand and in transit	88	82
(b) Cheques in hand	4836	0
(c) Balances with Scheduled Banks		
(i) In Current Accounts & E E F C Accounts	10199	3380
(ii) In Unclaimed Dividend accounts	19	18
(iii) In Fixed Deposit Accounts (Including interest accrued but not due)*	121797	125340
TOTAL	136939	128820

*Fixed Deposits include Rs.120724 lacs (Previous year Rs. 124825 lacs) pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company.

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	14453	977
Due from Real Griha Nirman Pvt. Ltd.	8	0

Advance Income Tax and Tax Deducted at Source

	7299	6033
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Other Loans & Advances

-Advance recoverable in cash or in kind or for value to be received or pending adjustments	2236	6395
TOTAL	23996	13405

For the Year Ended
31.03.2013
(Amount in ₹ Lacs)

For the Year Ended
31.03.2012
(Amount in ₹ Lacs)

Note : 17

Revenue from Operations

(a) Sales of Traded Goods	381768	321145
(b) Other Operating Revenues		
(i) Interest Earned on Bank Deposits held for Business Purposes	12450	8960
(ii) Profit on Relinquishment of Rights	486	127
(iii) Rental Income	338	12
(iv) Miscellaneous Income	276	90
TOTAL	395318	330334

**For the Year Ended
31.03.2013
(Amount in ₹ Lacs)**

For the Year Ended
31.03.2012
(Amount in ₹ Lacs)

Note : 18

Other Income

(a) Dividend Income (Gross)	110	201
(b) Interest on Loans to Subsidiaries	566	290
(c) Interest on Other Loans & Advances	989	989
(d) Profit on Sale of Long Term, Non Trade Investments	0	135
(e) Profit on Sale of Long Term, Trade Investments	829	0
TOTAL	<u>2494</u>	<u>1615</u>

Note : 19

Purchases of Stock-in-trade

Purchases of Traded Goods	364248	309390
TOTAL	<u>364248</u>	<u>309390</u>

**For the Year Ended
31.03.2013
(Amount in ₹ Lacs)**

For the Year Ended
31.03.2012
(Amount in ₹ Lacs)

Note : 20

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

Opening Stock :

Trading Items	4794	4809
Real Estate (Work-in-progress)	5770	0
	<u>10564</u>	<u>4809</u>

Closing Stock :

Trading Items	2145	4794
Real Estate (Work-in-progress)	5143	5770
	<u>7288</u>	<u>10564</u>
	<u>3276</u>	<u>-5755</u>

Note : 21

Employee Benefit Expenses

Salaries, Wages and Bonus	86	83
Contribution to Provident and other Funds	4	5
Gratuity	1	1
Staff welfare and Other Expenses	35	27
TOTAL	<u>126</u>	<u>116</u>

Note : 22

Finance Cost

Interest Cost	1678	903
TOTAL	<u>1678</u>	<u>903</u>

**For the Year Ended
31.03.2013
(Amount in ₹ Lacs)**

**For the Year Ended
31.03.2012
(Amount in ₹ Lacs)**

Note : 23

Other Expenses

Electricity Expenses	52	32
Bank Charges	1602	1615
General Insurance	11	9
Transit Insurance	8	9
Freight & Cartage Inward	5606	7067
Rent	177	107
Rates & Taxes	1	3
Loss on Foreign Currency Transactions and Translation	6610	9886
Bad Debts	2829	0
Repairs :		
Building	15	9
Others	25	32
Selling & Distribution Expenses	174	122
Travelling & Conveyance	123	123
Miscellaneous Expenses	376	529
Loss on Sale of Long Term, Non Trade Investments	1574	0
Loss on Sale of Fixed Assets	2	0
Payment to Auditors :		
Statutory Audit Fee	2	2
Tax Audit Fee	1	1
Directors' Remuneration	20	20
Directors' Sitting Fee	0	0
TOTAL	<u>19208</u>	<u>19566</u>

**As at
31.03.2013**

**As at
31.03.2012**

Note : 24

Contingent Liabilities

24.1 Corporate Guarantees issued by the Company to certain banks on behalf of one of its subsidiary	26052	15266
	(USD 33.5 Million & SGD 18 Million)	(USD 15.5 Million & SGD 18 Million)
24.2 Corporate Guarantee issued by the Company to Nationalised Banks on behalf of associate Companies	26000	15100
24.3 Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	147

**For the Year Ended
31.03.2013
(Amount in ₹ Lacs)**

**For the Year Ended
31.03.2012
(Amount in ₹ Lacs)**

Note : 25

Value of Imports (C.I.F. Basis)

Stock-in-trade	358068	255117
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**For the Year Ended
31.03.2013
(Amount in ₹ Lacs)**

For the Year Ended
31.03.2012
(Amount in ₹ Lacs)

Note : 26

Expenditure in Foreign Currency

Travelling Expenses	7	15
Import of Goods- Trading Items	358068	255117

Note : 27

Earning in Foreign Currency

Export of goods on F.O.B. Basis	337526	205375
---------------------------------	--------	--------

Note : 28

Payments 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	381768	321145
(b) Real Estate etc.	1403	0
TOTAL	383171	321145

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

(a) Trading Items	9848	7103
(b) Real Estate etc.	956	1444
Net Profit Before Interest	10804	8547
(c) Interest Expenses	1678	903
(d) Unallocated Expenses	0	0
Net Profit Before tax	9126	7644

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

(a) Trading Items	35170	28400
(b) Real Estate etc.	32980	35394
(Capital employed is net of inter-segmental transfer)		
TOTAL	68150	63794

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 Management Personnel & their Relatives :

(a) Shri Deepak Kothari - Chairman & Managing Director	(f) Smt. Arti Kothari
(b) Shri Mitesh Kothari - Executive Director	(g) Smt. Reeta Shah
(c) Shri M.M. Kothari	(h) Mitesh Kothari HUF
(d) Smt. Sharda M. Kothari	(i) Smt. Urvi Kothari
(e) Smt. Hemani Gowani	

(B) Associate Companies:

-Aangan Properties Pvt. Ltd.	-Hara Parvati Realtors Pvt. Ltd.	-Sankhya Realtors Private Limited
-Aastitva Builders & Developers Pvt. Ltd.	-IMK Agro Developers Pvt. Ltd.	-Saphire Housing Pvt. Ltd.
-Aman Leasing & Housing Finance Pvt. Ltd.	-IMK Agro- Tech Properties Pvt. Ltd.	-Sattva Infrastructure India Pvt. Ltd.
-Aman Overseas Pvt. Ltd.	-IMK Developers Pvt. Ltd.	-Sattva Realtors Pvt. Ltd.
-Aman Spices Pvt. Ltd.	-IMK Hospitality Pvt. Ltd.	-Scaffold Properties Pvt. Ltd.
-Ambakeshwar Realtors Pvt. Ltd.	-Kothari Detergents Limited	-Sequence Properties Pvt. Ltd.
-Arti Properties Pvt. Ltd.	-Kothari World Infrastructure Pvt. Ltd.	-Shilpi Property Developers (Bombay) Pvt. Ltd.
-Arti Web-Developers Pvt. Ltd.	-Lohewala Constructions Pvt. Limited	-Splint Realtors LLP
-Bhojeshwar Realtors Private Limited	-Margo Properties Pvt. Ltd.	-Spica Properties Pvt. Ltd.
-BKC Properties Pvt. Ltd.	-Mataji Developers Pvt. Ltd.	-SPPL Hotels Private Limited
-Blueberry Trading Company Pvt. Ltd.	-MK Profinlease Pvt. Ltd.	-Shubhadra Realtors Private Limited
-Camelia Griha Nirman Pvt. Ltd.	-Monotype Griha Nirman Pvt. Ltd.	-Supraja Properties Pvt. Ltd.
-Clastic Rock Realtors Pvt. Ltd.	-MSR Properties Pvt. Ltd.	-Synergy School Systems Pvt. Ltd.
-Dham Securities Pvt. Limited	-Orbus Property Pvt. Ltd.	-Titania Technology Pvt. Ltd.
-DK Web-Tech Pvt. Ltd.	-Pan Parag India Limited	-Township Real Estate Developers (I) Pvt. Ltd.
-DMK Holdings Pvt. Ltd.	-Pandeep Technologies & Infrastructure Pvt. Ltd.	-Vaishnodevi Realtors Pvt. Ltd.
-Ekta Flavours Pvt. Limited	-Parmy Manufactory Pvt. Ltd.	-Venkatesh Griha Nirman Pvt. Ltd.
-Elvis Properties Pvt. Ltd.	-Real Griha Nirman Private Ltd.	-Warasgaon Lake View Hotels Ltd.
-Fobos Properties Pvt. Ltd.	-Raj Power Parts and Engg. Co Pvt. Ltd.	-Yoga Builders Pvt. Ltd.
-Forcas Properties Pvt. Ltd.	-Salarpuria Consultants Pvt. Ltd.	
-H & M Housing Finance & Leasing Pvt. Ltd.	-Salarpuria Profin Pvt. Ltd.	

(C) Subsidiary Companies :

(I) Direct Subsidiaries:

- Sukhdham Constructions & Developers Limited
- MK Web-Tech Pvt. Limited
- KPL Exports Pvt. Limited
- Kothari Products Singapore Pte. Limited
- IMK Hotels Pvt. Limited
- Savitrimata Realtors Pvt. Limited
- Blackplinth Realtors Pvt. Ltd.
- Riverview Land Developers Pvt. Ltd.

(II) Indirect Subsidiary:

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

(ii) Summary of Transactions:

Particulars	Key Management Personnel & Relatives		Associate Companies		Subsidiary Companies	
	For the year ended / As on		For the year ended / As on		For the year ended / As on	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Directors' Remuneration etc.	20	20	0	0	0	0
On Account of Expenses	13	0	59	36	78	31
On Account of Interest on Loan Taken	68	0	0	0	0	0
On Account of Income - Rent	0	0	12	12	1	1
Interest Income on Loan Given	0	0	818	954	566	290
Interest Received on Debentures	0	0	0	0	0	0
Investment in Shares During the year	0	0	625	1	97	2045
Investment in Debentures During the year	0	0	300	0	0	0
Sale of Investment	0	0	830	0	0	0
Dividend Paid	636	933	110	183	0	0
Corporate Guarantees issued and outstanding as on date	0	0	26000	15100	26052	15266
Outstanding (Payable)	780	21	0	0	0	0
Outstanding (Receivable)	0	0	3254	6805	20600	8699

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

2012-13
(Amount in ₹ Lacs)

2011-12
(Amount in ₹ Lacs)

Note : 31

Earning Per Share

(a) Profit after tax (Profit attributable to Equity Shareowners)	5907	5265
(b) Weighted average nos. of Equity Shares for Basic / Diluted EPS	6631970	6631970
(c) Nominal Value of Equity Share (in Rs.)	10.00	10.00
(d) Basic Earning per Equity Share (in Rs.)	89.07	79.38
(e) Diluted Earning per Equity Share (in Rs.)	89.07	79.38

Note : 32

The deferred tax liability amounting to Rs. 73 lacs (Previous year Rs. 47 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. 26 lacs (Previous year Rs.6 Lacs reversed) has been provided 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	31.03.2013		31.03.2012		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	535	29110	834	42442	Hedge of Export and other Receivables
Buy	USD/INR	540	29348	84	4254	Hedge of Import and other Payables

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

(Figures in Lacs)

	Currency	31.03.2013		31.03.2012	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	991	53905	560	28512
Import and other Payables	USD	3607	196184	4022	204654

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 :-

(Amount in ₹ Lacs)

	As on 31.03.2013	As on 31.03.2012
Not later than one year	384	0
Later than one year and not later than five year	1222	0
Later than five year	0	0

Note : 35

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 : 36

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

Note : 37

The Board of directors consider the diminution in value of its Non Current Investments being Long Term Investments as temporary in nature and therefore no provision for the same has been done in the books of accounts.

Note : 38

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

Note : 39

M/s Arti Web Developers Pvt. Ltd. which was a wholly owned subsidiary of the company has ceased to be its subsidiary w.e.f. 01-01-2013. There has been gain of Rs. 829 Lacs on sale of investment in shares.

Note : 40

M/s Masscorp Ltd. became and ceased to be a subsidiary of the company during the year. There has been no gains or losses on such acquisition and cessation.

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

(A.N. RASTOGI)
Partner
Membership No. 070168

Place : Kanpur
Date : 23rd May, 2013

For and on behalf of the Board

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(RAJEEV PORWAL)
GM (Finance)

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(Amount in ₹ Lacs)
2011-2012

PARTICULARS	2012-2013	
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	9126	7644
Adjustments for		
- Depreciation	150	85
- Finance Cost	1678	903
- Net Unrealised Forex (Gain)/loss	222	1819
- Profit (-) / Loss on Sale of Assets	2	0
- Net (gain)/Loss on Sale of Long Term Investments	745	-135
- Interest Income	-1555	-1279
- Dividend Income	-110	-201
Operating Profit/ (loss) before working capital changes	1132	1192
Operating Profit/ (loss) before working capital changes	10258	8836
Adjustments for:		
- Trade Receivables & Others	-17311	-9513
- Inventories	3276	-5755
- Trade payables & Others	17946	71016
Cash Generated from Operations	14169	64584
Net Income Tax (paid)/ Refund	-2710	-2575
Net Cash flow from/(used in) Operating Activities	11459	62009
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
- Purchase of Fixed Assets	-583	-181
- Sale of Fixed Assets	3	0
- Purchase of Long Term Investments- Others	-6149	-801
- Purchase of Long Term Investments- Subsidiaries	-97	-2045
- Sale of Long Term Investments-Others	4391	4977
- Sale of Long Term Investments-Subsidiaries	830	0
- Loans to Subsidiary Companies (Net)	-12903	-1701
- Loans to associate companies (Net)	4683	1625
- Loans to others	246	-1432
- Interest Received	1555	1279
- Dividend Received	110	201
Net Cash flow from/(used in) Investing Activities	-7914	1922
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
- Secured Loans from banks	6660	4437
- Loans from director	748	-1890
- Dividend Paid	-995	-1457
- Tax on Dividend Paid	-161	-237
- Finance Cost	-1678	-903
Net Cash flow from/(used in) Financing Activities	4574	-50
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	8119	63881
Cash & Cash Equivalents - Opening Balance	128820	64939
Cash & Cash Equivalents - Closing Balance	136939	128820

Note: 1. The Closing Cash & Cash Equivalents include TDRs of Rs. 120724 lacs (Previous year Rs. 124825 lacs) pledged or given as margin money to banks.
2. 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

(A.N. RASTOGI)
Partner
Membership No. 070168

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(DEEPAK KOTHARI)
Chairman & Managing Director

Place : Kanpur
Date : 23rd May, 2013

(RAJEEV PORWAL)
GM (Finance)

(MITESH KOTHARI)
Executive Director

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, which comprise the Consolidated Balance Sheet as at 31st March, 2013, 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 principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). 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 Company as at 31st March, 2013;
- (b) in the case of Consolidated Statement of Profit & Loss, of the Profit of the Company for the year ended on that date; and
- (c) in the case of Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.



Other Matters

We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements whose financial statements reflect the total assets (net) of Rs.25491 lacs as at 31st March, 2013, total revenue (net) of Rs.54271 lacs and cash flows (net) amounting to Rs.1865 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,

(A.N.Rastogi)
PARTNER

Membership No. 070168

Place : Kanpur
Date : 23rd May, 2013



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2013

	NOTE	As at 31.03.2013 (Amount in ₹ Lacs)	As at 31.03.2012 (Amount in ₹ Lacs)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2	663	663
(b) Reserves and surplus	3	73496	66163
Minorities interest		1	1
(2) Non-Current Liabilities			
(a) Long term borrowings	4	6087	10819
(b) Deferred tax liabilities (Net)	5	65	39
(3) Current Liabilities			
(a) Short term borrowings	6	35469	18193
(b) Trade payables	7	187852	173337
(c) Other current liabilities	8	69247	92840
(d) Short-term Provisions	9	9992	7093
TOTAL		382872	369148
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	10	8972	16184
(ii) Intangible Assets		0	0
(iii) Capital WIP		0	1294
(b) Goodwill on consolidation		219	219
(c) Non-current investments	11	13586	14417
(d) Long term loans and advances	12	6034	9530
(e) Other Non-current Assets	13	1	1
(2) Current Assets			
(a) Current Investments	14	2168	520
(b) Inventories	15	17327	17694
(c) Trade receivables	16	150304	132539
(d) Cash and cash equivalents	17	170543	160596
(e) Short-term loans and advances	18	13718	16154
TOTAL		382872	369148
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

(A.N. RASTOGI)
Partner
Membership No. 070168

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(DEEPAK KOTHARI)
Chairman & Managing Director

Place : Kanpur
Date : 23rd May, 2013

(RAJEEV PORWAL)
GM (Finance)

(MITESH KOTHARI)
Executive Director

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	NOTE	For the Year Ended 31.03.2013 (Amount in ₹ Lacs)	For the Year Ended 31.03.2012 (Amount in ₹ Lacs)
I. REVENUE FROM OPERATIONS :			
Revenue from operations	19	504373	393953
Other income	20	3471	1384
Total Revenue		507844	395337
II. EXPENSES :			
Purchases of stock-in trade	21	465868	369012
Increase (-) / Decrease (+) in inventories of stock-in-trade	22	1356	-5755
Employee benefit expenses	23	317	237
Finance cost	24	2386	1245
Depreciation and amortization expenses		250	122
Other expenses	25	24758	21593
Total Expenses		494935	386454
III. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS :			
		12909	8883
(There is no discontinuing operation)			
Less : Tax expenses :			
1) Current tax		4193	2799
2) Deferred tax		26	-6
3) Excess provision of income tax for earlier year (Net)		-19	-8
IV. PROFIT FOR THE YEAR :		8709	6098
Less: Minorities interest		0	0
V. PROFIT FOR THE YEAR AFTER MINORITIES INTEREST		8709	6098
VI. BASIC & DILUTED EARNING PER SHARE (IN RS.) :			
(a) Basic		131.32	91.95
(b) Diluted		131.32	91.95
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

(A.N. RASTOGI)
Partner
Membership No. 070168

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(DEEPAK KOTHARI)
Chairman & Managing Director

Place : Kanpur
Date : 23rd May, 2013

(RAJEEV PORWAL)
GM (Finance)

(MITESH KOTHARI)
Executive Director

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, 1956.

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 at the rates prescribed by the Schedule XIV to the Companies Act, 1956 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.
- (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 and Loss. Profit or Loss on sale of investments is determined on a first-in-first-out (FIFO) basis.

1.6. TRANSACTIONS IN FOREIGN CURRENCY :

a) Initial recognition :

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

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

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

c) Forward Exchange Contracts :

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

1.7. REVENUE RECOGNITION:

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax / VAT and are net of returns. Dividend income is recognised when the right to receive payment is established. Interest income is recognised on the time proportion basis.

1.8. EMPLOYEE RETIREMENT BENEFITS:

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

1.9. PROVISION FOR TAXATION:

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

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

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

1.10. PROVISIONS & CONTINGENCIES:

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

1.11. EARNING PER SHARE:

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

1.12. PROPOSED DIVIDEND:

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

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
31.03.2013
(Amount in ₹ Lacs)

As at
31.03.2012
(Amount in ₹ Lacs)

Note : 2

Share Capital

AUTHORISED :

11000000 Equity Shares of Rs.10/- each

1100

1100

ISSUED, SUBSCRIBED AND PAID UP :

6631970 Equity Shares of Rs.10/- each fully paid up

663

663

TOTAL

663

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 31.03.2013		As at 31.03.2012	
	Number of shares	Amount in ₹ Lacs	Number of shares	Amount in ₹ Lacs
Equity Share of Rs.10/- each fully paid up:-				
Opening Balance	6631970	663	6631970	663
Fresh Issue	-	-	-	-
Buy Back	-	-	-	-
Closing Balance	6631970	663	6631970	663

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

Class of shares/Name of Shareowners	As at 31.03.2013		As at 31.03.2012	
	Number of shares held	Holding %	Number of shares held	Holding %
Equity Share of Rs.10/- each fully paid up:-				
a) Mrs. Arti D Kothari	631772	9.53%	631772	9.53%
b) Mr. Deepak Kothari jointly with Mrs. Arti D Kothari (As on 31.03.2012, Out of 3051916 shares 2751916 shares were held in name of Mr. Deepak Kothari)	3051916	46.02%	3051916	46.02%
c) Mitesh Kothari (HUF)	406244	6.13%	406244	6.13%
d) Dham Securities Pvt. Ltd.	733333	11.06%	733333	11.06%
e) Parag Kumar Kishor Kumar Shah jointly with Yogesh Natwarlal Shah and Dinesh Chandra Mohanlal Shah	0	0.00%	375581	5.66%
f) Magnus Properties Pvt. Ltd.	375581	5.66%	0	0.00%

NOTES CONTINUED
(CONSOLIDATED)

	As at 31.03.2013 (Amount in ₹ Lacs)	As at 31.03.2012 (Amount in ₹ Lacs)
Note : 3		
Reserves and Surplus		
(a) Preference Shares Redemption Reserve	<u>3</u>	<u>3</u>
	<u>3</u>	<u>3</u>
(b) Foreign Currency Translation Reserve	<u>577</u>	<u>328</u>
	<u>577</u>	<u>328</u>
(c) General Reserve		
As at Commencement of the year	34894	34368
Add : Transferred from Statement of Profit & Loss	591	526
	<u>35485</u>	<u>34894</u>
(d) Statement of Profit & Loss - As per account annexed		
Opening Balance	30938	26521
Add(+) Profit for the year	8709	6098
	<u>39647</u>	<u>32619</u>
Less : Related to Ceased Subsidiary- Arti Web-Developers Pvt. Ltd.	74	0
	<u>39573</u>	<u>32619</u>
Less: Appropriations		
Transfer to General Reserve	591	526
Proposed Dividend on Equity Shares	1326	994
Provision for Tax on Proposed Dividend	225	161
	<u>37431</u>	<u>30938</u>
GRAND TOTAL	<u>73496</u>	<u>66163</u>

Note : 4
Long Term Borrowings
4(a) Secured

Bank Loans -

	<u>0</u>	<u>5416</u>
TOTAL	<u>0</u>	<u>5416</u>

4(b) Unsecured

From Salarpuria Properties Pvt. Ltd.
 From SPPL Property Management Pvt. Ltd.
 From Individuals

	3	3
	6084	5331
	0	69
	<u>6087</u>	<u>5403</u>
TOTAL	<u>6087</u>	<u>10819</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 Rules

	73	47
--	----	----

b. Deferred Tax Assets

- Due to unallowable expenses

	-8	-8
TOTAL	<u>65</u>	<u>39</u>

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

Overdraft against TDRs from Nationalised Banks
 Cash Credit Limits from Nationalised Banks
 Export Packing Credit Limits from Nationalised Banks

	23107	11055
	23	35
	2741	708
TOTAL	<u>25871</u>	<u>11798</u>

6(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 Bangalore 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 & future and fixed assets, ranking pari passu with other multiple bankers.

Collateral Securities:

Term Deposit worth Rs. 400 lacs, equitable mortgage of property at Noida and personal guarantee of two directors. Corporate guarantee by a wholly owned Subsidiary Company.

Canara Bank:

Prime Securities:

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

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

Punjab National Bank;

Prime Securities:

Hypothecation charge on current assets of the company.

Collateral Securities:

Equitable mortgage of property at Bangalore owned by wholly owned subsidiary and personal guarantee of two directors. 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 Term 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:

Term Deposit worth Rs. 100 lacs, equitable mortgage of property at Bangalore owned by another company and personal guarantee of two directors. Corporate guarantee by a wholly owned Subsidiary Company and by two other companies.

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

	As at 31.03.2013 (Amount in ₹ Lacs)	As at 31.03.2012 (Amount in ₹ Lacs)
6(b) Unsecured		
Loans and Advances from Related Parties		
Loans from Directors	748	0
From Others		
From Other individuals	274	0
Bills Discounted	4040	3434
Trust Receipt	4536	2961
	9598	6395
TOTAL	35469	18193

NOTES CONTINUED
(CONSOLIDATED)

As at
31.03.2013
(Amount in ₹ Lacs)

As at
31.03.2012
(Amount in ₹ Lacs)

Note : 7
Trade Payables

Trade Payables (including acceptances)		187852		173337
TOTAL		187852		173337

Note : 8
Other Current Liabilities

Advance Against Orders		64759		88809
Due to Directors		34		23
Unclaimed / Unpaid Dividend		19		18
Advance against Sale of Fixed Assets		2000		3000
Security Deposit Received		223		223
Statutory Liabilities		250		148
Interest Accrued & Due		160		160
Outstanding Liabilities		1802		459
TOTAL		69247		92840

Note : 9
Short Term Provisions

Provision for Taxation		8441		5937
Proposed Dividend		1326		995
Tax on Proposed Dividend		225		161
TOTAL		9992		7093

Note : 10
Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.12	Additions	Transfer	As at 31.03.13	Up To 31.03.12	For the year	Adjust- ment	Up To 31.03.13	As at 31.03.13	As at 31.03.12
Tangible Assets:										
Freehold Land	796	321	35	1082	251	0	0	251	831	545
Building (Office)	2302	1303	0	3605	272	53	0	325	3280	2030
Building	9497	1270	9497	1270	0	0	0	0	1270	9497
Flats	3541	577	1080	3038	0	62	13	49	2989	3541
Motor Cars	728	133	13	848	307	81	7	381	467	421
Computers	29	6	0	35	17	7	0	24	11	12
Office Equipment	139	3	8	134	35	7	0	42	92	104
Temporary Structure	40	37	0	77	40	37	0	77	0	0
Furniture & Fixture	46	2	0	48	12	4	0	16	32	34
TOTAL	17118	3652	10633	10137	934	251	20	1165	8972	16184
Intangible Assets:										
Computer Software	0	0	0	0	0	0	0	0	0	0
Grand Total	17118	3652	10633	10137	934	251	20	1165	8972	16184
PREVIOUS YEAR	7390	9729	1	17118	811	124	1	934	16184	

NOTES CONTINUED
(CONSOLIDATED)

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
NOTE : 11				
Non Current Investments				
A. Quoted - Non Trade				
I. Equity Shares, Each, Fully Paid-up				
Aptech Ltd. of Rs.10/-	0	60000	0	114
Asian Paints Ltd. of Rs.10/-	0	2500	0	79
Alstom India Ltd. of Rs.10/-	52384	54721	396	415
Axis Bank Ltd. of Rs.10/-	7000	0	97	0
Bajaj Finance Ltd. of Rs.10/-	17210	0	229	0
Bata India Ltd. of Rs.10/-	19500	0	172	0
Bombay Rayon Fashions Ltd. of Rs.10/-	53853	0	141	0
Britania Industries Ltd. of Rs.2/-	35000	0	177	0
Camson Biotechnologies Ltd. of Rs.10/-	376425	400000	229	243
Castrol India Ltd. of Rs.10/-	0	8500	0	44
Crompton Greaves Ltd. of Rs.2/-	0	173092	0	548
Cummins India Ltd. of Rs.2/-	108344	123425	549	661
DB Realty Ltd. of Rs.10/-	205000	0	145	0
Dhanlaxmi Bank Ltd. of Rs.10/-	215000	237429	359	403
Exide Industries Ltd. of Re.1/-	86856	105000	122	160
Glenmark Pharmaceuticals Ltd. of Re.1/-	10000	0	52	0
Gujarat State Petronet Ltd. of Rs.10/-	0	425000	0	499
Greaves Cotton Limited of Rs. 2/-	128004	247588	117	220
Godrej Consumer Products Ltd. of Re.1/-	3000	0	22	0
Hero Motocorp Ltd. of Rs.2/-	0	4000	0	89
Hindalco Industries Ltd. of Re.1/-	0	30000	0	49
ICICI Bank Ltd. of Rs.10/-	2500	0	29	0
IDFC Ltd. of Rs.10/-	128500	285000	230	557
India Infoline Ltd. of Rs.2/-	25000	0	16	0
IVRCL Ltd. of Rs.2/-	0	16667	0	10
JSW Steel Ltd. of Rs.10/-	0	77500	0	932
Jubliant Foodworks Ltd. of Rs.10/-	7500	0	95	0
Jyothy Laboratories Ltd. of Re.1/-	78000	0	128	0
Karur Vysya Bank Ltd. of Rs. 10/-	68046	94553	272	420
Lupin Ltd. of Rs.2/-	19000	0	116	0
M&M Financial Services Ltd. of Rs.2/-	80000	0	174	0
Mandhana Industries Ltd. of Rs.10/-	113500	0	283	0
Marico Ltd. of Re.1/-	50500	0	112	0
Mindtree Ltd. of Rs.10/-	7500	0	56	0
Motherson Sumi Systems Ltd. of Re.1/-	100000	0	192	0
NHPC Ltd. of Rs.10/-	0	167396	0	60
NIIT Technologies Ltd. of Rs.10/-	30000	0	81	0
Pidilite Industries Ltd. of Re.1/-	83000	0	177	0
Power Finance Corporation Ltd. of Rs.10/-	0	110771	0	389
Prakash Industries Ltd. of Rs.10/-	54007	0	18	0
Rallis India Ltd. of Re.1/-	102510	0	156	0
Rural Electrification Corporation Ltd. of Rs.10/-	0	177089	0	627
State Bank of India of Rs. 10/-	15	15	0	0
Sun Pharmaceutical Industries Ltd. of Re.1/-	0	5000	0	28
Sun TV Network Ltd. of Rs.5/-	0	20000	0	68
Tata Consultancy Services Ltd. of Re. 1/-	0	20000	0	252
Titan Industries Ltd. of Re.1/-	25000	0	72	0
Torrent Pharmaceuticals Ltd. of Rs.5/-	10300	0	77	0
Uflex Ltd. of Rs. 10/-	492056	508726	498	532

NOTES CONTINUED
(CONSOLIDATED)
NOTE : 11 CONTINUED

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2013	As at 31.03.2012	As at 31.03.2013	As at 31.03.2012
United Spirits Ltd. of Rs.10/-	0	10000	0	111
Welspun India Ltd. of Rs.10/-	34582	0	24	0
Whirlpool of India Ltd. of Rs.10/-	125000	125000	394	394
WIPRO Ltd. of Rs.2/-	0	30000	0	134
Wockhardt Ltd. of Rs.5/-	7379	0	143	0
Zylog Systems Ltd. of Rs.5/-	90000	49321	252	277
Aggregate Cost			6402	8315
Aggregate Market Value			5284	5961
TOTAL (A)				
B. Unquoted				
I. Non-trade				
(a) Capital Contribution in India Growth Fund			373	401
(b) Application Money for Shares			3036	3483
(c) Equity Shares of Bio- Ethanol Agro Industries Ltd. of Rs. 10/- each fully paid-up	500000	500000	175	175
II. Trade				
(a) Investments in Equity Shares of other Companies, each Fully paid up				
Bhojeshwar Realtors Private Ltd. of Rs.10/-	10000	10000	1	1
Haraparvati 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/-	10000	10000	1	1
Warasgaon Lake View Hotels Limited of Rs.10/-	84082	80000	707	666
Raj Power Parts and Engg. Co. Pvt. Ltd. of Rs.100/-	3700	0	592	0
(b) Investment in Preference Shares of other companies, each fully paid-up of Rs.10/- each				
0.001% Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1057799	802486	1391	767
0.001% Optionally Convertible Redeemable Preference Shares of Haraparvati 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 Limited of Rs.1000/-	30000	0	300	0
TOTAL (B)			7184	6102
TOTAL (A+B)			13586	14417
		As at 31.03.2013		As at 31.03.2012
		(Amount in ₹ Lacs)		(Amount in ₹ Lacs)

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

(a) Security Deposits	634	13
(b) Loans & Advances to related parties		
Loans to Associate Companies	3146	6805
(c) Other Loans & Advances:		
Service Tax Input Credit Receivable	11	9
Advance for Properties	1002	1216
Advance paid for APHP	55	55
Loans to Others	1186	1432
TOTAL	6034	9530

NOTES CONTINUED

(CONSOLIDATED)

**As at
31.03.2013
(Amount in ₹ Lacs)**

**As at
31.03.2012
(Amount in ₹ Lacs)**

Note : 13

Other Non Current Assets

Preliminary & Preoperative Expenses Not Written Off

	1		1
TOTAL	1	TOTAL	1

Quantity (Nos.)

Amount in ₹ Lacs

As at	As at	As at	As at
31.03.2013	31.03.2012	31.03.2013	31.03.2012

Note : 14

Current Investments

Mutual Funds(Units, each, fully paid up):

HDFC Cash Management Fund-Treasury Advantage Plan Wholesale-Weekly Dividend of Rs.10/-	0	5055558.480	0	507
HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Weekly Dividend of Rs.10/-	135022.549	127173.758	13	13
Baroda Pioneer Treasury Advantage Fund Plan A-Growth of Rs.1000/-	15083.928	0	200	0
Birla Sun Life Income Plus-Regular Plan-Growth of Rs.10/-	375814.813	0	200	0
HDFC Liquid Fund- Direct Plan- Growth Option of Rs.10/-	323277.261	0	75	0
ICICI Prudential Income Plan-Regular Plan-Growth of Rs.10/-	538663.952	0	200	0
IDFC Super Saver Income Fund-Investment Plan-Regular Plan-Growth of Rs.10/-	704542.893	0	200	0
Reliance Dynamic Bond Fund-Growth of Rs.10/-	1271698.353	0	200	0
Reliance Liquid Fund of Rs.1000/-	23892.236	0	680	0
Reliance Money Manager of Rs.1000/-	12540.334	0	200	0
Templeton India Short Term Income Plan-Growth of Rs.1000/-	8519.044	0	200	0
Aggregate Cost	TOTAL		2168	520
Aggregate Market Value			2173	520

Note : 15

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

Trading Items	2145	4794
Real Estate (Work-in Progress)	15182	12900
TOTAL	17327	17694

Note : 16

Trade Receivables (Unsecured Considered good)

(a) Debts outstanding for over six months	24073	26
(b) Other debts	126231	132513
TOTAL	150304	132539

NOTES CONTINUED

(CONSOLIDATED)

As at
31.03.2013
(Amount in ₹ Lacs)

As at
31.03.2012
(Amount in ₹ Lacs)

Note : 17

Cash & Cash Equivalent

Cash & Bank Balances:

(a) Cash in hand and in transit	90	85
(b) Cheques in Hand	4836	0
(c) Balances with Scheduled Banks		
(i) In Current Accounts & E E F C Account	10630	3564
(ii) In Unclaimed Dividend accounts	18	18
(iii) In Fixed Deposit Account (Including interest accrued but not due)*	154969	156929
TOTAL	<u>170543</u>	<u>160596</u>

*Fixed Deposits include Rs.150699 Lacs (Previous year Rs. 156380 Lacs) pledged with the banks as margin money or as collateral towards credit limits sanctioned by them.

Note : 18

Short Term Loans and Advances

Advance Income Tax and Tax Deducted at Source 8051 6466

Other Loans & Advances

-Advance recoverable in cash or in kind or for value to be received or pending adjustments	5667	9688
TOTAL	<u>13718</u>	<u>16154</u>

For the Year Ended
31.03.2013
(Amount in ₹ Lacs)

For the Year Ended
31.03.2012
(Amount in ₹ Lacs)

Note : 19

Revenue from Operations

(a) Sales of Traded Goods	487529	383435
(b) Other Operating Revenues		
(i) Interest Earned on Bank Deposits held for Business Purposes	15262	9862
(ii) Profit on Relinquishment of Rights	486	127
(iii) Profit on Derivative- Commodity	0	154
(iv) Rental Income	820	286
(v) Miscellaneous Income	276	89
TOTAL	<u>504373</u>	<u>393953</u>

Note : 20

Other Income

(a) Interest on Fixed Deposits	39	26
(b) Dividend Income	110	201
(c) Interest on Loans	989	989
(d) Profit on Sale of Long Term, Non Trade Investments	0	138
(e) Profit on Sale of Fixed Assets	1504	0
(f) Profit on Sale of Long Term, Trade Investments	829	0
(g) Miscellaneous Receipts	0	30
TOTAL	<u>3471</u>	<u>1384</u>

NOTES CONTINUED

(CONSOLIDATED)

**For the Year Ended
31.03.2013
(Amount in ₹ Lacs)**

**For the Year Ended
31.03.2012
(Amount in ₹ Lacs)**

Note : 21

Purchases of Stock-in-Trade

Purchases of Traded Goods		<u>465868</u>	369012
TOTAL		<u>465868</u>	<u>369012</u>

Note : 22

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

Opening Stock:

Trading Items		4794	4809
Real Estate (Work-in-Progress)		<u>5770</u>	<u>0</u>
		<u>10564</u>	<u>4809</u>

Closing Stock :

Trading Items		2145	4794
Real Estate (Work-in-Progress)		<u>7063</u>	<u>5770</u>
		<u>9208</u>	<u>10564</u>
		<u>1356</u>	<u>-5755</u>

Note : 23

Employee Benefit Expenses

Salaries, Wages and Bonus		266	201
Contribution to Provident and other Funds		9	7
Gratuity		1	1
Staff welfare and Other Expenses		<u>41</u>	<u>28</u>
TOTAL		<u>317</u>	<u>237</u>

Note : 24

Finance Cost

Interest Cost		<u>2386</u>	1245
TOTAL		<u>2386</u>	<u>1245</u>

Note : 25

Other Expenses

Electricity Expenses		56	34
Bank Charges		1715	1770
General Insurance		36	19
Transit Insurance		8	9
Freight & Cartage Inward		8811	7888
Rent		135	106
Rates & Taxes		32	50
Loss on Foreign Currency Transactions and Translation		8115	10791
Bad Debts		2829	0
Loss on Sale of Long Term, Non Trade Investments		1713	0
Repairs :			
Building		30	13
Others		25	32
Selling & Distribution Expenses		611	155
Travelling & Conveyance		140	133
Miscellaneous Expenses		466	560
Payment to Auditors :			
Statutory Audit Fee		15	12
Tax Audit Fee		1	1
Directors' Remuneration		20	20
Directors' Sitting Fee		0	0
TOTAL		<u>24758</u>	<u>21593</u>

NOTES CONTINUED

(CONSOLIDATED)

As at
31.03.2013
(Amount in ₹ Lacs)

As at
31.03.2012
(Amount in ₹ Lacs)

Note : 26

Contingent Liabilities

26.1 Corporate Guarantee issued by the Company to Nationalised banks on behalf of associate companies	26000	15100
26.2 Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	147

Note: 27

Segment Information (Information about Business Segments) :

27.1. The Company operates in two business segments-

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

For the Year Ended
31.03.2013
(Amount in ₹ Lacs)

For the Year Ended
31.03.2012
(Amount in ₹ Lacs)

27.2. Segment Information are as under-

(A) Segment Revenue (Net Sales/ Income)		
(a) Trading Items	487529	383435
(b) Real Estate etc.	1838	0
	489367	383435
(B) Segment Results (Profit(+)/ Loss(-) Before Tax)		
(a) Trading Items	14070	8471
(b) Real Estate etc.	1225	1657
Net Profit Before Interest	15295	10128
(c) Interest Expenses	2386	1245
Net Profit Before tax	12909	8883
	As at	As at
	31.03.2013	31.03.2012
	(Amount in ₹ Lacs)	(Amount in ₹ Lacs)
(C) Capital Employed (Segment Assets - Segment Liabilities)		
(a) Trading Items	40368	30836
(b) Real Estate etc.	33791	35990
(Capital employed is net of inter-segmental transfer)	74159	66826

Note : 28

Related Party Disclosures in accordance with the Accounting Standards (AS-18) 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India are as under :

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

(A) Key Management Personnel & their Relatives :

(a) Shri Deepak Kothari - Chairman & Managing Director	(d) Smt. Sharda M. Kothari	(g) Smt. Reeta Shah
(b) Shri Mitesh Kothari - Executive Director	(e) Smt. Hemani Gowani	(h) Mitesh Kothari HUF
(c) Shri M.M. Kothari	(f) Smt. Arti Kothari	(i) Smt. Urvi Kothari

(B) Associate Companies:

-Aangan Properties Pvt. Ltd.	-Haraparvati Realtors Pvt. Ltd.	-Sankhya Realtors Private Limited
-Aastitva Builders & Developers Pvt. Ltd.	-IMK Agro Developers Pvt. Ltd.	-Saphire Housing Pvt. Ltd.
-Aman Leasing & Housing Finance Pvt. Ltd.	-IMK Agro- Tech Properties Pvt. Ltd.	-Sattva Infrastructure India Pvt. Ltd.
-Aman Overseas Pvt. Ltd.	-IMK Developers Pvt. Ltd.	-Sattva Realtors Pvt. Ltd.
-Aman Spices Pvt. Ltd.	-IMK Hospitality Pvt. Ltd.	-Scaffold Properties Pvt. Ltd.
-Ambakeshwar Realtors Pvt. Ltd.	-Kothari Detergents Limited	-Sequence Properties Pvt. Ltd.
-Arti Properties Pvt. Ltd.	-Kothari World Infrastructure Pvt. Ltd.	-Shilpi Property Developers (Bombay) Pvt. Ltd.
-Arti Web-Developers Pvt. Ltd.	-Lohewala Constructions Pvt. Limited	-Splint Realtors LLP
-Bhojeshwar Realtors Private Limited	-Margo Properties Pvt. Ltd.	-Spica Properties Pvt. Ltd.
-BKC Properties Pvt. Ltd.	-Mataji Developers Pvt. Ltd.	-SPPL Hotels Private Limited
-Blueberry Trading Company Pvt. Ltd.	-MK Profinance Pvt. Ltd.	-Shubhadra Realtors Private Limited
-Camelia Griha Nirman Pvt. Ltd.	-Monotype Griha Nirman Pvt. Ltd.	-Supraja Properties Pvt. Ltd.
-Clastic Rock Realtors Pvt. Ltd.	-MSR Properties Pvt. Ltd.	-Synergy School Systems Pvt. Ltd.
-Dham Securities Pvt. Limited	-Orbus Property Pvt. Ltd.	-Titania Technology Pvt. Ltd.
-DK Web-Tech Pvt. Ltd.	-Pan Parag India Limited	-Township Real Estate Developers (I) Pvt. Ltd.
-DMK Holdings Pvt. Ltd.	-Pandeeep Technologies & Infrastructure Pvt. Ltd.	-Vaishnodevi Realtors Pvt. Ltd.
-Ekta Flavours Pvt. Limited	-Parmy Manufactory Pvt. Ltd.	-Venkatesh Griha Nirman Pvt. Ltd.
-Elvis Properties Pvt. Ltd.	-Real Griha Nirman Private Ltd.	-Warasgaon Lake View Hotels Ltd.
-Fobos Properties Pvt. Ltd.	-Raj Power Parts and Engg. Co Pvt. Ltd.	-Yoga Builders Pvt. Ltd.
-Forcas Properties Pvt. Ltd.	-Salarpuria Consultants Pvt. Ltd.	
-H & M Housing Finance & Leasing Pvt. Ltd.	-Salarpuria Profin Pvt. Ltd.	

(ii) Summary of Transactions:

(Amount in ₹ Lacs)

Particulars	Key Management Personnel & Relatives		Associate Companies	
	For the year ended / As on		For the year ended / As on	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Directors' Remuneration etc.	20	20	0	0
On Account of Expenses	13	0	59	36
On Account of Interest on Loan Taken	68	0	0	0
On Account of Income - Rent	0	0	12	12
Interest Income on Loan Given	0	0	818	954
Interest Received on Debentures	0	0	0	0
Investment in Shares During the year	0	0	625	1
Investment in Debentures During the year	0	0	300	0
Sale of Investment	0	0	830	0
Dividend Paid	636	933	110	183
Corporate Guarantees issued and outstanding as on date	0	0	26000	15100
Outstanding (Payable)	780	21	0	0
Outstanding (Receivable)	0	0	3254	6805

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

Note : 29

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

Name of Associates	Proportion of Ownership
Bhojeshwar Realtors Private Limited	50.00%
Haraparvati Realtors Pvt. Ltd.	25.50%
Real Griha Nirman Private Ltd.	50.00%
Shubhadra Realtors Private Limited	50.00%
Sankhya Realtors Private Limited	45.00%
SPPL Hotels Private Limited	25.50%
Sattva Realtors Pvt. Ltd.	25.00%

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 31.03.2013 (Amount in ₹ Lacs)	For the Year Ended 31.03.2012 (Amount in ₹ Lacs)
---	---

Note : 30
Earning Per Share

(a) Profit after tax (Profit attributable to Equity Shareholders)	8709	6098
(b) Weighted average nos. of Equity Shares for Basic / Diluted EPS	6631970	6631970
(c) Nominal Value of Equity Share (in Rs.)	10.00	10.00
(d) Basic Earning per Equity Share (in Rs.)	131.32	91.95
(e) Diluted Earning per Equity Share (in Rs.)	131.32	91.95

Note : 31

The deferred tax liability amounting to Rs.65 lacs (Previous year Rs.39 lacs) is on account of time difference of Depreciation and unallowable expenses which is capable of being reversed in one or more subsequent years. The deferred tax liability amounting to Rs.26 lacs (Previous year Rs.6 lacs written back) has been provided.

Note : 32

During the year finance cost of Rs.653 Lacs (Previous Year Rs.605Lacs) has been transferred to Construction Work-in-Progress a/c in accordance with Accounting Standard 16 'Borrowing Costs' issued by the Institute of Chartered Accountants of India.

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

(Figures in Lacs)

Particulars of Derivatives	Derivative Contracts	31.03.2013		31.03.2012		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	535	29110	834	42442	Hedge of Export and other Receivable
Buy	USD/INR	540	29348	84	4254	Hedge of Import and other Payables

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

(Figures in Lacs)

	Currency	31.03.2013		31.03.2012	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	1231	66976	1694	86199
Import and other Payables	USD	3993	217180	4916	250142

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 31.03.2013	(Amount in ₹ Lacs) As on 31.03.2012
Not later than one year	384	0
Later than one year and not later than five year	1222	0
Later than five year	0	0

Note : 35

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 : 36

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

Note : 37

The Board of directors consider the diminution in value of its Non Current Investment being Long Term Investments as temporary in nature and therefore no provision for the same has been done in the books of accounts.

Note : 38

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

Note : 39

The aforesaid consolidated financial statements comprise the financial statements of Kothari Products Limited and its subsidiary companies - Sukhdham Constructions & Developers Limited, Arti Web-Developers Private Limited(till cessation), MK Web-tech Private Limited, KPL Exports Pvt. Limited, Kothari Products Singapore Pte. Limited, IMK Hotels Pvt. Limited, Savitrimata Realtors Pvt. Ltd., Blackplinth Realtors Private Limited and Riverview Land Developers Pvt. Ltd.

Note : 40

M/s Arti Web-Developers Pvt. Ltd. which was a wholly owned subsidiary of the company has ceased to be its subsidiary w.e.f. 01-01-2013. There has been gain of Rs.829 Lacs on sale of investment in shares.

Note : 41

M/s Masscorp Ltd. became and ceased to be a subsidiary of the company during the year. There has been no gains or losses on such acquisition and cessation.

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

(A.N. RASTOGI)
Partner
Membership No. 070168

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(DEEPAK KOTHARI)
Chairman & Managing Director

Place : Kanpur
Date : 23rd May, 2013

(RAJEEV PORWAL)
GM (Finance)

(MITESH KOTHARI)
Executive Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

PARTICULARS	(Amount in ₹ Lacs)	
	2012-2013	2011-2012
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	12909	8884
Adjustments for:		
- Depreciation	250	122
- Preliminary & Preoperative Expenses written off	1	1
- Finance Cost	2386	1245
- Exchange Translation Reserve on Consolidation	249	351
- Reserve related to Ceased Subsidiary	-74	0
- Net Unrealised Forex (Gain)/loss	222	1949
- Profit (-) / Loss on Sale of Assets	-1504	0
- Net (gain)/Loss on Sale of Long Term Investments	744	-138
- Interest Income	-1028	-989
- Dividend Income	-110	-201
Operating Profit/ (loss) before working capital changes	1136	2340
Adjustments for:		
- Trade Receivables & Others	-38147	-13889
- Inventories	367	-6587
- Trade payables & Others	14693	96085
Cash Generated from Operations	-9042	86833
Net Income Tax (paid)/ Refund	-3255	-2872
Net Cash flow from/(used in) Operating Activities	-12297	83961
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
- Purchase of Fixed Assets	-2358	-10045
- Sale of Fixed Assets	12117	0
- Purchase of Long Term Investments- Others	-6782	-1041
- Sale of Long Term Investments	5221	5405
- Loans to associate companies (Net)	3659	1625
- Loans to others	246	-1432
- Interest Received	1028	989
- Dividend Received	110	201
Net Cash flow from/(used in) Investing Activities	13241	-4298
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
- Minorities Interest	0	1
- Bills discounted from bank	2181	5213
- Secured Loans from banks	14073	4734
- Secured Loans from others	-5416	5416
- Unsecured Loans	958	933
- Loans from director	748	-1890
- Dividend Paid	-994	-1458
- Tax on Dividend Paid	-161	-237
- Finance Cost	-2386	-1245
Net Cash flow from/(used in) Financing Activities	9003	11467
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	9947	91130
Cash & Cash Equivalents - Opening Balance	160596	69466
Cash & Cash Equivalents - Closing Balance	170543	160596

Note:

- The Closing Cash & Cash Equivalents include TDRs at principal value of Rs.150699 Lacs (Previous year Rs.156380 Lacs) pledged or given as margin money to banks.
- 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

(A.N. RASTOGI)
Partner
Membership No. 070168

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(DEEPAK KOTHARI)
Chairman & Managing Director

Place : Kanpur
Date : 23rd May, 2013

(RAJEEV PORWAL)
GM (Finance)

(MITESH KOTHARI)
Executive Director

STATEMENT REGARDING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956



1	2	3	4	5	6	7	8
Names of the Subsidiary Companies	Financial Year ending of the Subsidiary Companies	No. of shares held by Kothari Products Ltd. as on 31.03.2013	Extent of holding	The net aggregate amount of the Subsidiary Companies' Profit/(Loss) so far as it concerns the members of the Holding Company and not dealt with in the accounts of the Holding Company (except to the extent dealt with in col. 7 & 8)	The net aggregate amount of the Subsidiary Companies' Profit/(Loss) so far as it concerns the members of the Holding Company and dealt with in the accounts of the Holding Company	For the financial year ended on 31.03.2013 became a subsidiary (Amount in ₹ Lacs)	For the financial year ended on 31.03.2013 became a subsidiary (Amount in ₹ Lacs)
Sukhdham Constructions & Developers Ltd.	31.03.2013	100000 Equity Shares of Rs. 10/- each	100%	11	22	Nil	Nil
MK Web-Tech Pvt. Limited	31.03.2013	250000 Equity Shares of Rs. 10/- each	100%	165	148	Nil	Nil
KPL Exports Pvt. Ltd.	31.03.2013	1000000 Equity Shares of Rs. 10/- each	100%	1200	465	Nil	Nil
Kothari Products Singapore Pte. Limited	31.03.2013	10000000 Equity Shares of SGD 1/- each	99.9998%	1663	428	Nil	Nil
IMK Hotels Pvt. Limited	31.03.2013	250000 Equity Shares of Rs. 10/- each	100%	-5	0	Nil	Nil
Savitrimata Realtors Pvt. Ltd.	31.03.2013	25500 Class B Equity Shares of Rs. 10/- each	51%	-1	-1	Nil	Nil
Blackplinth Realtors Pvt. Limited	31.03.2013	27000 Equity Shares of Rs. 10/- each	54%	-1	0	Nil	Nil
Riverview Land Developers Pvt. Limited	31.03.2013	90000 Equity Shares of Rs. 10/- each	90%	-1	-6	Nil	Nil

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

(A.N. RASTOGI)
Partner
Membership No. 070168

Place : Kanpur
Date : 23rd May, 2013

For and on behalf of the Board

(RAJ KUMAR GUPTA)
CS & Compliance Officer

(DEEPAK KOTHARI)
Chairman & Managing Director

(RAJEEV PORWAL)
GM (Finance)

(MITESH KOTHARI)
Executive Director

FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31.03.2013

(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
							(a) Shares	(b) Others					
1	Sukhdham Constructions & Developers Limited	31.03.2013	10	195	3216	3216	0	0	99	27	16	11	0
2	MK Web-Tech Pvt. Limited	31.03.2013	25	879	1840	1840	0	0	275	224	59	165	0
3	KPL Exports Pvt. Limited	31.03.2013	100	2478	46573	46573	592	0	54713	1802	602	1200	0
4	Kothari Products Singapore Pte. Limited*	31.03.2013	4142	2720	20656	20656	0	0	53993	1955	292	1663	0
5	IMK Hotels Pvt. Limited	31.03.2013	25	270	893	893	707	0	707	0	-5	-5	0
6	Savitrimata Realtors Pvt. Limited	31.03.2013	5	-11	8587	8587	0	0	3	-1	0	-1	0
7	Blackplinth Realtors Pvt. Limited	31.03.2013	5	-1	802	802	0	0	0	-1	0	-1	0
8	Riverview Land Developers Pvt. Limited	31.03.2013	10	-19	2234	2234	0	0	0	-1	0	-1	0

*The reporting currency of Financials of M/s Kothari Products Singapore Pte Ltd. is in USD(\$) and conversion rate applied is 1USD = ₹ 54.3893



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



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

PROXY FORM
29th ANNUAL GENERAL MEETING ON 13TH SEPTEMBER, 2013

I/We of
being a Member/Members of above named Company, hereby appoint
..... of or failing him
..... of as my/our Proxy
to attend and vote for me/us and on my/our behalf at the Twenty Ninth Annual General Meeting of the Company,
to be held at "Royal Cliff", 113/72, Swaroop Nagar, Opposite Motijheel Gate No.1, Kanpur on Friday, the 13th day of
September, 2013 at 11:30 A.M. and at any adjournment thereof.

Signed at this day of
Ledger Folio No. D.P. Id* Client Id*
Number of Equity
Shares held Signature

Affix
Re. 1/-
Revenue
Stamp

NOTES :

- 1. The Proxy need not be a member.
- 2. This Proxy duly signed across 1 Rupee Revenue Stamp should reach the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
- * Applicable for members holding shares in electronic form.

TEAR HERE



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

ATTENDANCE SLIP

I, hereby record my presence at the Twenty Ninth Annual General Meeting being held on Friday, the 13th day of
September, 2013 at 11:30 A.M. at "Royal Cliff", 113/72, Swaroop Nagar, Opposite Motijheel Gate No.1, 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.

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, 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	<p>To be signed by-</p> <ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	

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[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

