



KPL/2014-15/UPSE  
02/09/2014

**Bombay Stock Exchange Ltd.**  
1<sup>st</sup> floor New Trading Ring  
Rotunda Building  
P.J.Towers  
Dalal Street, Fort  
MUMBAI – 400 001

Re : CORRIGENDUM TO OUR BALANCE SHEET AS AT 31ST MARCH, 2014

Dear sir,

With reference to the captioned subject we have to inform you that inadvertently there has been some errors in the printing of the Balance sheet for the captioned year. We are therefore attaching herewith the necessary corrigendum for the aforesaid errors.

Kindly read the aforesaid Balance sheet, keeping in view the aforesaid corrigendum.

Sorry for the inconvenience caused to you.

Thanking you,

Yours faithfully,  
for **KOTHARI PRODUCTS LTD.**

A handwritten signature in red ink, appearing to be 'Raj Kumar Gupta', is written over a red circular stamp.

**(RAJ KUMAR GUPTA)**  
**CS & COMPLIANCE OFFICER**

**National Stock Exchange of India Ltd.**  
Exchange Plaza, 5<sup>th</sup> floor  
Plot No., C/1 G Block  
Bandra Kurla Complex  
Bandra (E)  
MUMBAI – 400 051

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

Phone : +91 512 2312171-72-73-74 • Fax: +91 512 2312058

E-mail: kothari@panparag.com

<http://www.kothariproducts.in>

CIN No.- L 16008 UP 1983 PLC 006254



**KOTHARI**  
PRODUCTS LIMITED

## KOTHARI PRODUCTS LTD.

CIN NO. L16008UP1983PLC006254  
REGD. ADDRESS : "PAN PARAG HOUSE", 24/19,  
THE MALL, KANPUR - 208001  
PHONE NOS. 0512-2312171-74, FAX 0512-2312058  
EMAIL - info@kothariproducs.in

### CORRIGENDUM

1. Page No. 48 Disclosure Note No. 33 of Standalone Balance Sheet of Kothari Products Limited as at 31st March, 2014 should be read as follows:-

Note: 33 (A) Forward Contracts (hedged) outstanding as at Balance Sheet date are as under -						Figures in Lacs
Particulars of Derivatives	Derivative Contracts	31.03.2014		31.03.2013		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	383	23038	535	29110	Hedge of Export and other Receivables
Buy	USD/INR	385	23111	540	29348	Hedge of Import and other Payables
(B) Unhedged Foreign Currency Exposures as at Balance Sheet date are as under-						
Particulars	Currency	31.03.2014		31.03.2013		
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Export and other Receivables	USD	1385	83244	991	53905	
Import and other Payables	USD	3286	197474	3607	196184	

2. Page No. 70 Disclosure Note No. 33 of Consolidated Balance Sheet of Kothari Products Limited as at 31st March, 2014 should be read as follows:-

Note: 33 (A) Forward Contracts (hedged) outstanding as at Balance Sheet date are as under -						Figures in Lacs
Particulars of Derivatives	Derivative Contracts	31.03.2014		31.03.2013		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	383	23038	535	29110	Hedge of Export and other Receivables
Buy	USD/INR	385	23111	540	29348	Hedge of Import and other Payables
(B) Unhedged Foreign Currency Exposures as at Balance Sheet date are as under-						
Particulars	Currency	31.03.2014		31.03.2013		
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Export and other Receivables	USD	2135	128303	1231	66976	
Import and other Payables	USD	4330	260221	3993	217180	

THE INCONVENIENCE CAUSED IS REGRETTED

# 30<sup>th</sup> annual report 2013-2014



**KOTHARI**  
PRODUCTS LIMITED

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## Cautionary Statement

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

## BOARD OF DIRECTORS

### *Chairman & Managing Director*

DEEPAK KOTHARI

### *Executive Director*

MITESH KOTHARI

### *Directors*

DR.AVINASH GUPTA  
PRAMOD KUMAR TANDON  
VIKAS CHATURVEDI

### *Company Secretary*

RAJ KUMAR GUPTA

### *Chief Financial Officer*

ANURAG TANDON

## AUDITORS

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

## REGISTERED OFFICE & SECRETARIAL DEPARTMENT

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

## INVESTORS' GRIEVANCE E-MAIL ID

[rkgupta@kothariproducs.in](mailto:rkgupta@kothariproducs.in)

## AUDIT COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DEEPAK KOTHARI  
DR. AVINASH GUPTA  
VIKAS CHATURVEDI

## STAKEHOLDERS RELATIONSHIP COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DEEPAK KOTHARI  
MITESH KOTHARI  
DR. AVINASH GUPTA

## NOMINATION & REMUNERATION COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DR.AVINASH GUPTA  
VIKAS CHATURVEDI

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DEEPAK KOTHARI  
DR. AVINASH GUPTA



**M.M. KOTHARI**  
**Our Founder Chairman**



## Chairman's Message



Dear Fellow Shareowners,

The last fiscal was a mixed bag of opportunities and challenges generally for the world economic environment, particularly for India and especially for your Company. While India remains one of the fastest growing major economies in the World, the slow down in economic growth in the last two years was the cause of concern.

Last year, I shared my views on the challenging International Business environment in view of un-acceptable levels of current account deficits

and high prices of crude in the International Market adversely affecting the Indian Economy. Lately following a series of measures taken by RBI and the Government, the rupee strengthened from its record lows and has been comparatively stable in the recent months and the CAD has narrowed down to some extent due to increased forex inflows.

A stable Government at the Centre has given an impetus resulting in more clarity in the policies. The Indian Economy is on the path of gradual recovery with consumer sentiments showing signs of improvement in all major markets. The infrastructure sector is now looking up and demand is expected to come back to the market, which are positive signs in the Real Estate Sector as well. However, continued high levels of inflation and global geopolitical risks are causes of concern.

Its' our constant endeavor to maximize the returns to all share owners, a testimony of the same is evident from the record declaration of dividend of last years. I am of the firm view that all the share owners are important to us for the confidence they reposed in us for so long with the expectation of best reward. This fiscal, it was time to acknowledge the same and I am happy to share that the long cherished expectation of declaration of Bonus Shares was fulfilled.

Although, the sales volumes registered an impressive growth, volatile Forex situation affected our expected profits. We are in the process of strengthening our core areas to continue to generate more share owners' value.

We are striving hard towards our commitment of contributing to improving education in our society and our group is aware and making best efforts in alleviating poverty of all the communities through imparting quality education.

All of this has been possible with the unrelenting efforts of our TEAM and constant support of all the stake holders. I would like to express my deep gratitude to all the stake holders in our this 'Endeavour'.

With best wishes  
Yours truly



**Deepak Kothari**

Place : Kanpur  
Dated : 7th July, 2014



## **NOTICE :**

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Kothari Products Limited will be held on Friday, the 19th September, 2014 at Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave-3, Kanpur at 11:30 A.M., to transact the following businesses:-

### **ORDINARY BUSINESS :**

1. To consider and adopt the Audited Standalone & Consolidated Balance Sheets of the Company as at 31st March, 2014 and the Profit & Loss Accounts for the financial year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To declare dividend for the aforesaid financial year.
3. To appoint a Director in place of Sri Mitesh Kothari (DIN: 00089076), who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Mehrotra & Mehrotra, Chartered Accountants, retiring Auditors, as Auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

### **SPECIAL BUSINESS :**

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

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Smt. Arti Kothari (DIN: 00089139) be and is hereby appointed as a Director of the Company liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 (“The Act”) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with schedule IV to the Act, Sri Pramod Kumar Tandon (DIN: 00089344) a Non Executive Director of the Company, who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under section 160 of the Act who has given a declaration of independence under Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years w.e.f. 19th September, 2014 to 18th September, 2019 and shall not be liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 (“The Act”) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with schedule IV to the Act, Dr. Avinash Gupta (DIN: 00089371) a Non Executive Director of the Company, who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under section 160 of the Act who has given a declaration of independence under Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years w.e.f. 19th September, 2014 to 18th September, 2019 and shall not be liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 (“The Act”) and the Rules framed thereunder (including any statutory modification(s)

or re-enactment thereof, for the time being in force) read with schedule IV to the Act, Sri Vikas Chaturvedi (DIN: 00089394) a Non Executive Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a Notice in writing under section 160 of the Act who has given a declaration of independence under Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years w.e.f. 19th September, 2014 to 18th September, 2019 and shall not be liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions, if any, of the Companies Act, 2013, approval of the shareholders be and is hereby accorded to the Company to amend the Articles of Association of the Company in the following manner:-

To insert the following in place of Article 2 :

#The regulations contained in Table F of Schedule I of the Companies Act, 2013, shall apply to the Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of the Association of the Company #.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

Regd. Off :  
'PAN PARAG HOUSE'  
24/19, THE MALL  
KANPUR – 208 001  
CIN: L16008UP1983PLC006254

DATE : 22nd May, 2014

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

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

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY BUT ONE PERSON CAN REPRESENT AS PROXY FOR NOT MORE THAN 50 MEMBERS AND FOR MEMBERS HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. Proxies, in order to be effective should be completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members of the Company shall remain closed from Friday, the 12th September, 2014 to Friday, 19th September, 2014 (both days inclusive).
4. The Dividend for the year ended 31st March, 2014 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 11th September, 2014. In respect of shares held in electronic form, the dividend will be payable on the basis of their beneficial ownership as at the end of aforesaid date as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.

THE MEMBERS HOLDING PHYSICAL SHARES ARE, IN THEIR OWN INTEREST, ADVISED TO SEND IMMEDIATELY REQUESTS FOR CHANGE OF ADDRESS AND BANK PARTICULARS, IF ANY, TO OUR REGISTRAR I.E. ALANKIT ASSIGNMENTS LTD., CORPORATE OFFICE, "ALANKIT HEIGHTS", 1E/13 JHANDEWALAN EXTENSION, NEW DELHI – 110 055, PHONE NOS. (011) 23541234 & 42541234 & FAX NO. (011) 41543474. HOWEVER, THE MEMBERS HOLDING DEMAT SHARES ARE ADVISED TO IMMEDIATELY INTIMATE THE CHANGE OF ADDRESS AND BANK DETAILS TO THEIR CONCERNED DEPOSITORY PARTICIPANTS.

5. Those Members who have not encashed/received their Dividend warrants for the financial years 2006-07 onwards may approach immediately the Secretarial Department at the Registered Office of the Company for revalidation of Dividend Warrants or for obtaining duplicate Dividend Warrants in lieu of the lost warrants. Pursuant to the Provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.kothariproducs.in](http://www.kothariproducs.in)).
6. Members are hereby also informed that Dividends which remain unclaimed/unencashed for a period of 7 years, from the date of transfer to the unpaid Dividend Accounts, have to be transferred by the Company u/s 205A to the Investors Education & Protection Fund (IEPF) constituted by the Central Government u/s 205C of the Companies Act, 1956. 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, 2004-2005 & 2005-2006 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 2006-07 WILL BE TRANSFERRED TO THE INVESTOR EDUCATION & PROTECTION FUND, AS PER THE PROVISIONS OF SEC. 205A (5) OF THE COMPANIES ACT, 1956 IN OCTOBER, 2014. 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.

7. Members desirous of getting any information at the meeting about the accounts and operations of the company are requested to send their query at the Registered office well in advance so that the same may reach the office

at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.

8. Section 72 of the Companies Act, 2013 has extended nomination facility to individuals holding shares in Companies. Shareowners, in particular, those holding shares as sole holder are advised to avail of the above facility in their own interest, by furnishing to the Company the particulars of their nominations. The prescribed application form may be obtained by the shareowners from the Company's Secretarial Department at its Registered Office.
9. Members are requested to bring their copies of Annual Report at the meeting. Please note that no gifts will be distributed at the meeting.
10. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notices/documents including Annual Reports can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with our Registrar, Alankit Assignments Ltd., "Alankit Heights", 1E/13 Jhandewalan Extension, New Delhi – 110 055.
11. The statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
12. In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014 alongwith clause 35B of the Listing Agreement, the members have been provided with the facility to cast their votes electronically through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The e-voting period commences on Saturday, 13th September, 2014 (9:00 A.M. IST) to Monday, 15th September, 2014 (6:00 P.M. IST). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on 8<sup>th</sup> August, 2014 (being the cut-off date fixed by the Company for e-voting), may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently. A Physical Ballot form is also being sent to the members alongwith the Annual Report. Members have option to vote either through e-voting or through the Physical Ballot form. If a member has opted for e-voting then he/she should not vote by Physical Ballot and also vice versa. However, in case members cast their votes both via Physical Ballot and e-voting then voting through e-voting shall prevail and voting done by physical ballot shall be treated as invalid.
13. The Company has appointed Sri Adesh Tandon, a Practising Company Secretary of Kanpur as Scrutinizer to receive and scrutinize the completed physical ballot forms and votes cast electronically by the members. The results declared alongwith the Scrutinizer's report shall be placed on the Company's website [www.kothariproducs.in](http://www.kothariproducs.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of passing the resolutions at the Thirtieth Annual General Meeting of the Company on September 19, 2014 and communicated to the UP Stock Exchange Association Ltd., Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited, where the shares of the Company are listed.
14. Pursuant to clause 49 of the Listing Agreement, particulars of Directors seeking appointment/re-appointment at this meeting are provided in the Corporate Governance Report forming part of the Annual Report.
15. The Securities & Exchange Board of India has notified that the shareholders/transferee of shares (including Joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including transfer, transmission or any other Corporate Action. Accordingly, all the physical shareholders/transferee of shares (including Joint holders) are requested to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including transfer, transmission or any other Corporate Action.

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

### **ITEM NO.5**

As per the provision of Section 149 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company should have at least one Woman Director. The Company has received a Special Notice in writing in this regard from a member of the Company alongwith the deposit of the requisite amount required under Section 160 of the Act intending to propose the candidature of Smt. Arti Kothari for the office of Director of the Company, liable to retire by rotation, in its ensuing Annual General Meeting.

As the above stated proposal of the shareholder is required to be taken up by the Company in its Annual General Meeting, hence the Ordinary Resolution at item No. 5 of the Notice.

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

Smt. Arti Kothari may be deemed to be interested or concerned in the Company in respect of her appointment as a Director as she alongwith her relatives holds 75% of shareholding of the Company, which includes shareholding of 18,95,316 Equity Shares (9.53% of the total Equity Share Capital) held directly by herself. Sri Deepak Kothari, Chairman & Managing Director and Sri Mitesh Kothari, Executive Director of the Company, being her relatives may also be deemed to be concerned or interested in the proposed Resolution.

Save and except the above, none of the other Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested in the aforesaid resolution.

### **ITEM NOS. 6 & 7**

Sri Pramod Kumar Tandon and Dr. Avinash Gupta had been appointed Non Executive Directors of the Company who satisfied the criteria of being Independent Directors as per clause 49 of the Listing Agreement entered into with the Stock Exchanges and whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 and whose terms expire at the ensuing Annual General Meeting. However in terms of section 149 (13) of the Companies Act, 2013 an Independent Director is not liable to retire by rotation. Therefore in terms of section 149 and other applicable provisions of the Companies Act, 2013 Sri Pramod Kumar Tandon & Dr. Avinash Gupta being eligible and offering themselves for appointment, are proposed to be appointed as Independent Directors for five consecutive years for a term upto 18th September, 2019.

The Company has received notices in writing from members alongwith the deposit of requisite amount under section 160 of the Act proposing the candidatures of each of Sri Pramod Kumar Tandon & Dr. Avinash Gupta for the office of Directors of the Company.

Further, the Board of Directors of the Company are of the opinion that the above referred Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made thereunder for being appointed as Independent Directors and they are Independent of the Management. The Board considers that their continued association would be of immense benefits to the Company and it is desirable to continue to avail their services as Independent Directors.

The Board of Directors recommends resolutions at item Nos. 6 & 7 of the Notice for your consideration and approval.

Except the aforesaid Directors none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid resolutions.

This Explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

### **ITEM NO. 8**

Sri Vikas Chaturvedi had been appointed as a Non Executive Director of the Company who satisfied the criteria of being Independent Director as per clause 49 of the Listing Agreement entered into with the Stock Exchanges and whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. However in terms of section 149 (13) of the Companies Act, 2013 an Independent Director is not liable to retire by rotation. Therefore in terms of section 149 and other applicable provisions of the Companies Act, 2013 Sri Vikas Chaturvedi being eligible and offering himself for appointment, is

proposed to be appointed as Independent Director for five consecutive years for a term upto 18th September, 2019. The Company has received notice in writing from a member alongwith the deposit of requisite amount under section 160 of the Act proposing the candidature of Sri Vikas Chaturvedi for the office of Director of the Company.

Further, the Board of Directors of the Company are of the opinion that the above referred Director fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for being appointed as Independent Director and he is Independent of the Management. The Board considers that his continued association would be of immense benefits to the Company and it is desirable to continue to avail his services as Independent Director.

The Board of Directors recommends resolution at item No. 8 of the Notice for your consideration and approval.

Except the aforesaid Director none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid resolution.

This Explanatory statement may also be regarded as a disclosure under clause 49 of the Listing Agreement with the Stock Exchanges.

### **ITEM NO. 9**

Table A of the erstwhile Companies Act, 1956, prescribes a standard and uniform set of regulations to be followed by every public limited company. It is common practice for all such companies to adopt "Table A" regulations, except those that are not inconsistent or repugnant to their own set of Articles of Association.

Since, the Companies Act, 2013, has been notified and became effective, a new "Table F" has been prescribed in place of "Table A" of erstwhile Companies Act, 1956. Your company, intends to adopt this new Table F, except in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of Association of the Company.

Since aforesaid alteration of Articles of Association requires passing of Special resolution by the members under Section 14 of the Companies Act, 2013 hence the Special Resolution at item No. 9 of the Notice is put for your approval.

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

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested in the aforesaid 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 : 22nd May, 2014



## DIRECTORS' REPORT

TO THE MEMBERS:

The Board of Directors of your Company presents herewith its 30th Annual Report and Audited Accounts for the financial year ended 31st March, 2014. The report also includes the Management discussion and Analysis Report in accordance with the guidelines of Corporate Governance.

### FINANCIAL PERFORMANCE :

(Amount in ₹ Lacs)

	<b>FINANCIAL YEAR ENDED 31.03.2014</b>	<b>FINANCIAL YEAR ENDED 31.03.2013</b>
Net Sales:	<b>417192</b>	381768
Other Income	<b>15370</b>	16044
Profit before Depreciation & Taxation	<b>6485</b>	9276
Less : Depreciation	<b>120</b>	150
Provision for Taxation:		
-Current Tax	<b>2125</b>	3200
-Deferred Tax	<b>22</b>	26
-Tax Adjustments for earlier years	<b>-11</b>	-7
Profit after Tax	<b>4229</b>	5907
Add : Balance of Profit brought forward from previous year	<b>34141</b>	28234
Profit available for appropriation	<b><u>38370</u></b>	<u>34141</u>
<b>APPROPRIATIONS</b>		
Transfer to General Reserve	<b>423</b>	591
Proposed Dividend	<b>1194</b>	1326
Additional Tax on Proposed Dividend	<b>203</b>	225
Balance of Profit carried forward	<b><u>36550</u></b>	31999
	<b><u>38370</u></b>	<u>34141</u>

### 2014 IN RETROSPECT

Your Directors are to report that the Company's sales turnover during the year under review has increased to Rs. 417192 Lacs from Rs.381768 Lacs during the previous financial year registering an increase of 9.28%. The Profit before depreciation & tax during the year has however decreased to Rs. 6485 Lacs as against Rs. 9276 Lacs in the previous year. The Profit after Tax has also decreased to Rs. 4229 Lacs as against Rs. 5907 Lacs of the previous year. The aforesaid decrease in profitability has been mainly due to huge forex fluctuations.

### INTERNATIONAL BUSINESS :

The Company's export during the year under review has increased to Rs.385510 Lacs as compared to Rs. 337526 Lacs during the previous year resulting in an increase of 14.22%.

### ISSUE OF BONUS SHARES

As you are aware your Directors have in their meeting held on 11th February, 2014, recommended Bonus Issue of 2 Equity Shares for every 1 Equity Share held as on 2nd April, 2014, being the record date fixed for the purpose. The same was approved by you by way of Postal Ballot on 24th March, 2014. The aforesaid Bonus Shares have been allotted to the eligible shareholders of the Company on 3rd April, 2014.

### DIVIDEND RECOMMENDED

Your Directors have recommended a dividend of 60% (Rs. 6/- per Equity Share of Rs. 10/- each) subject to approval of shareowners in the ensuing Annual General Meeting of the Company, on the enhanced Equity Capital post Bonus Issue i.e. Rs. 19,89,59,100, absorbing Rs. 1397 Lacs (Inclusive of Additional Tax on dividend) as against dividend



of 200% (Rs. 20/- per equity Share) declared last year on the pre-bonus capital of Rs. 6,63,19,700. The aforesaid Dividend is tax free in the hands of the shareowners.

### **CHANGES IN SHARE CAPITAL**

The Company has increased the authorized share capital of the Company from Rupees Eleven Crores (Rs.11,00,00,000/-) divided into One Crore Ten Lacs (1,10,00,000) Equity Shares of Rs.10/- each to Rupees Twenty One Crores (Rs.21,00,00,000/-) divided into Two Crore Ten Lacs (2,10,00,000) Equity Shares of Rs.10/- each on 24th March, 2014 after obtaining your approval through Postal Ballot to facilitate Issue of aforesaid Bonus Shares. Further, the paid-up share capital of the Company has also been increased from Rupees Six Crores Sixty Three Lacs Nineteen Thousand and Seven Hundred (Rs.6,63,19,700/-) divided into Sixty Six Lacs Thirty One Thousand Nine Hundred and Seventy (66,31,970) Equity Shares of Rs.10/- each to Rupees Nineteen Crores Eighty Nine Lacs Fifty Nine Thousand and One Hundred (Rs.19,89,59,100/-) divided into One Crore Ninety Eight Lacs Ninety Five Thousand Nine Hundred and Ten (1,98,95,910) Equity Shares of Rs.10/- each post allotment of aforesaid Bonus Shares on 3rd April, 2014.

### **SUBSIDIARIES**

The Company had till the end of last financial year nine subsidiaries namely 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 IMK Hotels Pvt. Ltd. has ceased to be a Subsidiary of the Company w.e.f. 2nd September, 2013.

In accordance with the General Circular of the Ministry of Corporate Affairs, the detailed annual accounts and attachments of the subsidiary companies are not being published. However, the prescribed financial details of the aforesaid subsidiary companies have been disclosed in a separate statement attached to the consolidated Balance Sheet. The Company hereby undertakes that the Annual Accounts of the subsidiary companies and their related detailed information shall be made available to the shareowners of the holding and subsidiary companies seeking such information at any point of time. 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 Mitesh Kothari, Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

Further, in terms of the Articles of Association of the Company, Sri Pramod Kumar Tandon & Dr. Avinash Gupta, Directors of the Company, also retire by rotation at the ensuing Annual General Meeting. Since the aforesaid Directors and Sri Vikas Chaturvedi were appointed by the Company to fulfill the criteria of Independent Directors to comply with the requirements of clause 49 of the Listing Agreement and are liable to retire by rotation but since section 149 of the Companies Act, 2013 has stipulated for appointment of the Independent Directors who are not liable to retire by rotation. It is therefore necessary for the Company to appoint them as aforesaid. Accordingly necessary resolutions have been incorporated in the Notice of the ensuing Annual General Meeting for the aforesaid appointments.

The Company has received requisite notices in writing from members alongwith the deposit of the requisite amount required under 160 of the Act, proposing Sri Pramod Kumar Tandon, Dr. Avinash Gupta and Sri Vikas Chaturvedi for appointment as Independent Directors. The Company has received declarations from the aforesaid Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under clause 49 of the Listing Agreement with the Stock Exchanges.

Further, the Company has received a Special Notice in writing from a member of the Company alongwith the deposit of the requisite amount required under Section 160 of the Act intending to propose the candidature of Smt. Arti Kothari for the office of Director of the Company, liable to retire by rotation, in its ensuing Annual General Meeting. The necessary resolution has been incorporated in the notice of the aforesaid meeting for the aforesaid appointment.

## **BOARD COMMITTEES**

The Board of Directors, at its meeting held on 22<sup>nd</sup> May, 2014, has rechristened the existing Remuneration Committee as Nomination & Remuneration Committee and Share owners'/investors' Grievance Committee as Stakeholder's Relationship Committee apart from constituting a Corporate Social Responsibility Committee so as to be in line with what is prescribed under the Companies Act, 2013 and Clause 49 of the amended Listing Agreement with the Stock Exchanges.

## **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 for the year ended 31<sup>st</sup> March, 2014, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 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 for the year under review 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**

Global growth picked up in the second half of 2013 after a slightly low growth during the previous six months of 2013 partly driven by increase in inventory. The strengthening in activity was mirrored in global trade and industrial production. The Indian economy has been through challenging times in the last two years, faced with the twin problem of prolonged high inflation and low growth. This was also reflected in lower business sentiments, reduced investments, lowered consumption, compressed revenues, increased government welfare measures and pressure on deficits.

Trading Industry is also facing challenging environment due to tough competitive global and domestic market and volatile forex scenario. Low industrial growth has also impacted the Trading Industry. Following a series of measures by the RBI and the government, the Rupee strengthened from its record lows and has been fairly stable in recent months. The stability in the domestic currency coupled by the improvements in the country's economic fundamentals narrowing the Current Account Deficit and increased foreign inflows into the country will boost the sentiments and instill the confidence of the industry.

### **b) OPPORTUNITIES & THREATS**

There are a myriad of opportunities a trader may discover through both its sales force and market research. Public-Private Partnership (PPP) is emerging as the new success route in India's attempts to build world-class infrastructure. Over the last decade, policymakers at both Central and State levels have been increasingly focusing on infrastructure investments so as to enable fast paced economic growth. PPP in fact could be the key to policymakers' attempts to create the requisite infrastructure for enabling double-digit GDP growth and enhancing people's welfare. Public Sector projects through Public Private Partnership will bring further opportunities in Real Estate Industry. Thus with various opportunities the future of the company appears to be lustrous. However, the trading industry may face the risk of facing a ban on import/export of a commodity by Govt., decrease in consumer demand, a recession, price wars among key competitors, or even increase in

competition. Political and security conditions in the region and late legislative enforcement measures along with infrastructure safety are the threats in the Real Estate industry.

**c) FINANCIAL PERFORMANCE**

We have during the financial year registered a marginal growth in our sales in the International Trade and Real Estate divisions alongwith a marginal growth in sales volume & profitability in our Real Estate Division as well. The Company's sales turnover during the year under review has increased to Rs. 417192 Lacs from Rs. 381768 Lacs during the previous financial year. The Profit before depreciation & tax during the year has however decreased to Rs. 6485 Lacs as against Rs. 9276 Lacs in the previous year. The Profit after Tax has also decreased to Rs. 4229 Lacs as against Rs. 5907 Lacs of the previous year due to negative forex variations. However, profitability of the Company has increased in Real Estate segment from Rs. 956 Lacs to Rs. 1247 Lacs whereas in Trading items segment the profit has decreased to Rs. 7045 Lacs from Rs. 9848 Lacs in the previous year. The segment wise financial performance of the Company has also been mentioned in the Notes on Accounts being part of this Annual Report.

**d) OUTLOOK :**

With the global economy appearing to be on the path of revival and with the high income economies showing signs of firm recovery after years of low growth and/or recession, the outlook for the International Trading Industry in particular and Trading Industry in general appears to be bright. With the formation of the new stable Government at the Center and its focus on the development of the infrastructure of the country and with the rising demand for the houses the outlook for the real estate industry appears to be bright. In view of the aforesaid the outlook of the Company also appears to be bright.

**e) RISKS AND CONCERNS :**

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

**f) INTERNAL 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 element of the organization. Our Core Values are discipline, trust, integrity and work style. Core Values are established to align all the people in the organization in the direction of achieving stated goals all throughout the organization.

The Company is taking sufficient steps for employee engagement and motivation. This has resulted in reduction of employee turnover. Your Company focuses on recruiting and retaining the best talent in the industry. Moreover, Company provides them proper induction, training and knowledge upgradation for the individual as well as organizational growth. The Company continues to maintain its record of cordial and harmonious industrial relations without any interruption in work. Further, as on 31st March, 2014 the Company had 53 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 141 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of aforesaid Section.

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 :

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>a) Activities relating to exports; initiatives taken to increase exports; Development of new export markets for Trading Items and Export Plans</li> </ol> | <ol style="list-style-type: none"> <li>} The Company's trading items are being exported directly or through Merchant Exporters to various countries. This Year the Company got the opportunity to export Rice to UAE and continued to export Indian Yellow Corns to Vietnam and started exporting also to Malaysia.</li> <li>} The Company is exporting minerals, metal products, Agri Products and also exporting Ceramic Tiles, Note Books, Copies, Papers, etc. to South America.</li> </ol> |
|--|---|

	(Amount in ₹ Lacs)	
	CURRENT YEAR	PREVIOUS YEAR
b) Earning in Foreign Exchange	385510	337526
c) Expenditure in Foreign Currency	384423	358075
d) Imports of goods for trading	384410	358068
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 attached herewith as Annexure to this Report.

### 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 : 22nd May, 2014

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

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

**ANNEXURE TO DIRECTORS' REPORT :-**

Statement pursuant to Section 217(2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 as amended till date.

Sl. No.	Name of Employee	Designation & Nature of Duties	Gross Remuneration (Rs.)	Nature of Employment	Qualification	Date of Commencement of Employment	Age / Experience	Last Employment
1.	Sri Deepak Kothari	Chairman & Managing Director/ Management	21143334	Contractual	M.A. (English)	07.09.1988	63/41	-----
2.	Sri Mitesh Kothari	Executive Director / Management	20927680	-----do-----	MBA	01.04.2000	37/17	-----

**NOTES :**

1. The Gross Remuneration shown above is subject to Tax & comprises Salary, Commission and value of Perquisites as per Income Tax Rules, 1962 and as defined in Sec.198.
2. Both the above employees are related to each other. Sri Deepak Kothari is father of Shri Mitesh Kothari and Sri Mitesh Kothari is son of Sri Deepak Kothari.
3. Other terms & Conditions : As per Shareholders' Resolutions dated 13th September, 2013.
4. There is no employee under sec.217(2A) (a) (iii).

**For and on behalf of the Board**

PLACE : KANPUR  
DATE : 22nd May, 2014

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 2014, 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, 2014 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	9	NIL	Executive & Non-Independent (Promoter)	Chairman & Managing Director
SRI MITESH KOTHARI	8	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 Directorships held in Private Limited Companies which are neither subsidiaries nor holding Companies of a Public Company.

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

### Attendance of Each Director At The Board Meetings and Last Annual General Meeting

Name	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance At Last A.G.M.
Sri Deepak Kothari	9	7	Present
Sri Mitesh Kothari	9	4	Present
Dr.Avinash Gupta	9	3	Present
Sri Pramod Kumar Tandon	9	7	Present
Sri Vikas Chaturvedi	9	6	Present

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

During the financial year 2013-14 nine (9) Board Meetings were held. The dates on which the said Meetings were held are given below:



9th April, 2013, 23rd May, 2013, 20th June, 2013, 12th August, 2013, 17th October, 2013, 14th November, 2013, 13th December, 2013, 11th February, 2014 & 24th March, 2014.

## AUDIT COMMITTEE

The composition of the Audit Committee of the Company as on 31st March, 2014 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	3
2.	Dr.Avinash Gupta	Vice Chairman	Independent & Non-Executive	4	1
3.	Sri Deepak Kothari	Member	Executive & Non Independent	4	3
4.	Sri Vikas Chaturvedi	Member	Independent & Non-Executive	4	4

The Audit Committee has been re-constituted on 22nd May, 2014, pursuant to the provisions of section 177 of the Companies Act, 2013 only with regard to terms of reference to cover the areas as prescribed by the amended clause 49 of the Listing Agreement and aforesaid Sec.177 of the Act. However, the composition of the Audit Committee even after re-constitution is same as mentioned above.

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

The role and terms of reference of the Audit Committee covers the areas mentioned under revised clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors, which broadly include :

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with Accounting Standards and Listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the Quarterly, Half Yearly and Annual financial statements before they are submitted to the Board of Directors, to review with the management the statement of uses/application of funds raised through an issue and the report submitted by the monitoring agency monetaring the utilization of proceeds of the issue and making appropriate recommendations to the Board to take up steps in this matter, to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors, to review the functioning of the whistle blower mechanism, to approve appointment of Chief Financial Officer and to carry out any other function as mentioned in the terms of reference of the Audit Committee.

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

## NOMINATION & REMUNERATION COMMITTEE

The existing remuneration committee of the Company has been re-constituted on 22nd May, 2014 and renamed as Nomination & Remuneration Committee pursuant to the provisions of Sec.178 of the Companies Act, 2013. The Composition of the committee is as under :-

Sl. No.	Name of Directors	Designation	Executive/Non-Executive/Independent	No. of Meetings Held During the Year	Attendance of Each Director
1.	Sri Pramod Kumar Tandon	Chairman	Independent & Non Executive	1	1
2.	Dr.Avinash Gupta	Member	Independent & Non Executive	1	0
3.	Sri Vikas Chaturvedi	Member	Independent & Non Executive	1	1



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

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

1. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and to recommend to the Board their appointment and removal and
2. Evaluation of every Director's performance.
3. To formulate criteria for determining qualifications, positive attributes and independence of the Directors.
4. To recommend to the Board a policy relating to the remuneration for the Director's, Key Managerial Personal's and other employees.

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

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

(Amount in Rupees)

Name of Director	Mr. Deepak Kothari	Mr. Mitesh Kothari	Dr. Avinash Gupta	Mr. Pramod Kumar Tandon	Mr. Vikas Chaturvedi
Salary	10,80,000	9,00,000	--	--	--
Gratuity	51923	43269	--	--	--
Perquisites	9,14,668	8,87,668	--	--	--
Commission	1,90,96,743	1,90,96,743	--	--	--
Sitting Fees	--	--	7,000	15,000	12,000

## STAKE HOLDERS RELATIONSHIP COMMITTEE

The existing Shareowners'/Investors' Grievance Committee has been re-constituted as stakeholders relationship committee on 22nd May, 2014 to comply with the provisions of sec.178 of the Companies, 2013 to take care of matters relating to redressal of shareowners'/investors' complaints, to recommend measures to improve the level of investors' services and simultaneously to expedite the process of Share Transfers. The Committee also approves requests for Share Transfers/Issue of Duplicate Share Certificates/Issue of new certificates on split, consolidation, renewal etc; as also requests for transmission of shares etc.. The aforesaid re-constitution has been only with regard to its nomenclature and the constitution of the committee before and after re-constitution is same. Accordingly the Constitution of the Committee as on 31st March, 2014 and 22nd May, 2014 is Sri Pramod Kumar Tandon as its Chairman and Sri Deepak Kothari, Sri Mitesh Kothari & Dr. Avinash Gupta as its members.

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

- Name of the Non-executive Director heading the Committee : Sri Pramod Kumar Tandon
- Name & Designation of Compliance Officer : Sri Raj Kumar Gupta, CS & Compliance Officer
- No. of Shareowners Letters/complaints received during the financial year : 11
- No. of Letters/Complaints not replied/solved to the Satisfaction of the shareowners : All the Letters/Complaints received by the Company have been replied/solved to the satisfaction of the complainants.
- No. of pending Complaints : None of the Complaints is pending as at 31st March, 2014.

## 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.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to the provisions of sec.135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee on 3rd April, 2014 comprising of Sri Pramod Kumar Tandon as Chairman of the committee and Sri Deepak Kothari and Dr. Avinash Gupta as members of the Committee. This committee has been entrusted with the responsibility of formulating and recommending to the Board a Corporate Social Responsibility Policy broadly indicating the activities to be undertaken by the Company that are mandatory in the implementation of the frame work of Corporate Social Responsibility Policy and recommend the money to be spent on each of the activities as prescribed under the Act and the rules made thereunder.

## GENERAL BODY MEETINGS

### Venue, Date & Time Where Last 3 AGMs Were Held

Meeting	Date	Time	Venue
29th AGM	13.09.2013	11.30 A.M.	"ROYAL CLIFF",113/72, SWAROOP NAGAR, OPPOSITE MOTIJHEEL GATE NO.1, KANPUR
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

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

Annual General Meeting	No. of Special Resolutions
29th	3
28th	NIL
27th	2

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

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

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.

## DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the year under review Four (4) Special Resolutions were passed through Postal Ballot on 24th March, 2014.

Pursuant to Section 192 A of the Companies Act, 1956 read with The Companies (Passing of the Resolutions by Postal Ballot) Rules 2011, Notices dated 11th February, 2014 were sent on 19th February, 2014 to the shareowners seeking their approvals through Postal Ballot on the following Resolutions :-

1. Special Resolution u/s 23(1) (c) of the Companies Act, 2013 for issue of Bonus Shares.
2. Special Resolution u/s 16, 31 & 94 of the Companies Act, 1956 for increase of Authorised Share Capital.
3. Special Resolution u/s 372 A of the Companies Act, 1956 for making Inter Corporate Investments, Loans, Guarantees & Securities.
4. Special Resolution u/s 180 (1) (a) of the Companies Act, 2013 for Creation of Mortgages or Charges.

The Company had appointed Mr. Adesh Tandon, a practising Company Secretary of Kanpur as scrutinizer for conducting the aforesaid Postal Ballot process in a fair & transparent manner. The last date for receipt of the Postal Ballot forms by the Company was fixed as 21st March, 2014. The aforesaid Scrutinizer had submitted his report on 22nd March, 2014 to the Chairman of the Company and the Chairman had announced the result of the aforesaid Postal Ballot process on 24th March, 2014 and submitted the same to the Stock Exchanges and also placed the same on Company's website. The aforesaid result was also published in the "The Financial Express" all Editions dated 26th March, 2014 & "Hindustan" Kanpur Edition dated 26th March, 2014.

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

Sl.No.	Matter of Resolutions	Date of Passing	Voting Results		Passed By
			For	Against	
1.	Issue of Bonus Shares by capitalization of reserves	24.03.2014	100%	NIL	Unanimously
2.	Increase of Authorised Share Capital	24.03.2014	99.99%	.01%	Requisite Majority
3.	Inter Corporate Investments, Loans, Guarantees & Securities.	24.03.2014	99.97%	.03%	Requisite Majority
4.	Creation of Mortgages or Charges	24.03.2014	99.96%	.04%	Requisite Majority

None of the items transacted at the last Annual General Meeting held on 13th September, 2013 were required to be passed by Postal Ballot nor any resolution requiring a Postal Ballot is being proposed at the ensuing Annual General Meeting.

### EXTRA ORDINARY GENERAL MEETING

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

### DISCLOSURES

- During the financial year 2013-14, 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) and Hindustan, normally Published in following newspapers. 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, 2014.
2. Adoption /Non-Adoption of non-mandatory requirements as at 31st March, 2014
  - 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, in the aggregate, on the Board of the Company. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the company and which, in the opinion of the company, would enable him to contribute effectively to the company in his capacity as an Independent Director.
  - b) The Company has set-up a Nomination & 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 shareholders.
  - d) The Auditors have issued an unqualified opinion for the year ended 31st March, 2014.
  - e) The Board of Directors of the Company consists of an optimal blend of Company's Executives and Independent Professionals 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 APPOINTMENT/RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING

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

<b>NAME OF DIRECTOR</b>	Pramod Kumar Tandon	Dr. Avinash Gupta	Ari Kothari	Mitesh Kothari	Vikas Chaturvedi
<b>DATE OF BIRTH</b>	05.05.1940	26.05.1950	28.09.1954	26.08.1976	05.07.1963
<b>DATE OF APPOINTMENT</b>	21.09.2012	23.09.2011	N.A.	13.09.2013	13.09.2013
<b>QUALIFICATION</b>	B.A., LL.B & M.S.W.	Doctor	B.Com	MBA	B.Sc.
<b>EXPERTISE IN SPECIFIC FUNCTIONAL AREAS</b>	He has rich business experience and expertise particularly in the field of legal & Real Estate	He has got rich experience and expertise particularly in the field of Trading & Real Estate.	She has got rich experience in all the Business matters of the Company	He has got a rich business experience in almost all the functional areas of the company.	He has rich Business Experience.
<b>DIRECTORSHIPS HELD IN OTHER COMPANIES*</b>	Chaturbhuj Finance Ltd. KPL Exports Pvt. Ltd. Pan Parag India Limited MK Web-Tech Pvt. Ltd. Sukhdham Constructions And Developers Ltd.	MK Web-Tech Pvt. Ltd. Pan Parag India Ltd.	Kothari Detergents Ltd. Sukhdham Constructions & Developers Ltd.	Kothari Detergents Ltd. Pan Parag India Ltd. Sukhdham Constructions & Developers Ltd. KPL Exports Pvt. Ltd. Savitrimata Realtors Pvt. Ltd. Warasgaon Lake View Hotels Ltd. Riverview Land Developers Pvt. Ltd. Blackplinth Realtors Pvt. Ltd	NIL
<b>COMMITTEE POSITIONS HELD IN OTHER COMPANY</b>	1. Chairman of Remuneration Committee of Pan Parag India Ltd.	1. Member of Remuneration Committee of Pan Parag India Limited	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, 19th September, 2014
- **Time** : 11:30 A.M.
- **Venue** : Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave – 3, Kanpur
- **Financial Calendar** : 1st April to 31st March
- **Dates of Book Closure** : 12th September, 2014 to 19th September, 2014 (Both days inclusive)
- **Dividend Payment Date** : Credit/Despatch of Dividend Warrants between 24th September and 30th September, 2014.
- **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 2013	375	327.30
MAY 2013	425	342
JUNE 2013	390.05	345
JULY 2013	385	341
AUGUST 2013	365	320.15
SEPTEMBER 2013	380	309.95
OCTOBER 2013	335	303
NOVEMBER 2013	374.95	312.55
DECEMBER 2013	375	331
JANUARY 2014	390	318.15
FEBRUARY 2014	678.75	322
MARCH 2014	785.65	234.95

## REGISTRAR AND TRANSFER AGENT AND SHARE TRANSFER SYSTEM

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

### Alankit Assignments Ltd.

**Corporate Office** “Alankit Heights” 1E/13 Jhandewalan Extension, New Delhi – 110 055

Telephone Nos. (011) 23541234 & 42541234

Fax Nos. (011) 41543474, E-mail : rta@alankit.com, Website : www.alankit.com

### • DISTRIBUTION OF SHAREHOLDING

The Shareholding distribution of equity shares as on 31st March, 2014 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	5743	96.34	42975	332145	0.65	5.01
501 - 1000	127	2.13	6600	87462	0.10	1.32
1001 - 5000	66	1.11	7100	118615	0.10	1.79
5001 - 10000	3	0.05	0	16630	0.00	0.25
10001 - 20000	9	0.15	0	126477	0.00	1.91
20001 - 30000	2	0.04	28700	27015	0.43	0.41
30001 - 40000	0	0	0	0	0.00	0.00
40001 - 50000	0	0	0	0	0.00	0.00
50001 - 100000	3	0.05	0	265900	0.00	4.01
100001 - 500000	5	0.08	0	1155330	0.00	17.42
500001 - Above	3	0.05	0	4417021	0.00	66.60
Total	5961	100	85375	6546595	1.28	98.72

Shareholding Pattern of the Company as on 31st March, 2014 :

CATEGORY	NO.OF SHARES HELD	% OF HOLDING
PROMOTERS & PROMOTER GROUP	4973968	75.00
INDIAN PUBLIC – INDIVIDUALS	623916	9.41
INDIAN PUBLIC - CORPORATE BODIES	998608	15.06
FOREIGN HOLDING	35478	0.53
(i) FII	444	0.01
(ii) NRI(s)	35034	0.52
TOTAL	6631970	100.00

• **DEMATERIALISATION OF SHARES AND LIQUIDITY**

Nearly 98.72% of total Equity Share Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2014. ISIN No. is INE823A01017 of NSDL & CDSL. The Company's shares are regularly traded at Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd., Mumbai.

**PLANT LOCATIONS**

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

• **ADDRESS FOR CORRESPONDENCE**

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

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

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

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

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

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Kothari Products Limited

We have examined the compliance of conditions of Corporate Governance by Kothari Products Limited, for the year ended on 31st March, 2014 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**

PLACE : KANPUR  
DATE : 22nd May, 2014

Sd/-  
(ISHAN GOEL)  
PARTNER

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## **DECLARATION BY CHIEF EXECUTIVE OFFICER**

I, Deepak Kothari, Chairman & Managing Director of Kothari Products Ltd. hereby declare that all the Board Members and Senior Managerial Personnel have affirmed, for the year ended 31st March, 2014, compliance with the code of conduct of the Company laid down for them.

PLACE : KANPUR  
DATE : 22nd May, 2014

Sd/-  
(Deepak Kothari)  
Chairman & Managing Director



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

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

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief;
  - these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading and
  - these statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
4. That we have informed the auditors and the audit committee of :
  - i. significant changes in internal control during the year; if any.
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

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

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

Place : Kanpur  
Date : 22nd May, 2014

## **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, 2014, 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") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (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 comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 and taken on records by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, 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,

(Ishan Goel)  
PARTNER

Membership No. 424241

Place: Kanpur  
Date : 22nd May, 2014

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
  - (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - (b) According to the information and explanations given to us, these fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
  - (c) The disposal of fixed assets has been done in the normal course of business and it has not affected the going concern.
- (ii) In respect of Inventories:
  - (a) The inventories have been physically verified during the year by the management, except for stocks lying with third parties, which have, however, been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification, which were not material, have been properly dealt with in the books of account.
- (iii) In respect of Loans & Advances:
  - (a) The Company has given unsecured loans to its six subsidiary companies and four associate Companies and total year end balances were 13635 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. 24 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, 2014 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, 2014.
- (x) The Company does not have any accumulated losses and it has not incurred cash losses during the financial 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 institutions 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,

Place: Kanpur  
Date : 22nd May, 2014

(Ishan Goel)  
PARTNER  
Membership No. 424241

**BALANCE SHEET AS AT 31st MARCH, 2014**

	NOTE	As at 31.03.2014 (Amount in ₹ Lacs)	As at 31.03.2013 (Amount in ₹ Lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareowners' Funds</b>			
(a) Share Capital	2	663	663
(b) Reserves and Surplus	3	70320	67487
<b>(2) Non-Current Liabilities</b>			
Deferred Tax Liabilities (Net)	4	95	73
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	5	11310	18895
(b) Trade Payables	6	181933	164219
(c) Other Current Liabilities	7	45023	63313
(d) Short Term Provisions	8	9122	8852
<b>Total</b>		<b>318466</b>	<b>323502</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed Assets			
- Tangible Assets	9	2518	2272
(b) Non-current Investments	10	16275	16986
(c) Long Term Loans and Advances	11	10755	11062
<b>(2) Current Assets</b>			
(a) Current Investments	12	135111	122892
(b) Inventories	13	7912	7288
(c) Trade Receivables	14	122926	122799
(d) Cash and Cash Equivalents	15	6333	16215
(e) Short Term Loans and Advances	16	16636	23988
<b>Total</b>		<b>318466</b>	<b>323502</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes are an integral part of the financial statements.</b>	2-41		

As per our report of even date attached hereto.

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

For and on behalf of the Board

(ISHAN GOEL)  
Partner  
Membership No. 424241

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 22nd May, 2014

(RAJ KUMAR GUPTA)  
C S & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	NOTE	For the Year Ended 31.03.2014 (Amount in ₹ Lacs)	For the Year Ended 31.03.2013 (Amount in ₹ Lacs)
<b>I. REVENUE FROM OPERATIONS :</b>			
Revenue From Operations	17	430265	395318
Other Income	18	2297	1665
<b>Total Revenue</b>		<b>432562</b>	<b>396983</b>
<b>II. EXPENSES :</b>			
Purchases of Stock-in-trade	19	398222	364248
Increase (-) / Decrease (+) in Inventories of Stock-in-trade	20	-624	3276
Employee Benefit Expenses	21	191	126
Finance Cost	22	1927	1678
Depreciation and Amortization Expenses	9	120	150
Other Expenses	23	26361	18379
<b>Total Expenses</b>		<b>426197</b>	<b>387857</b>
<b>III. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS :</b>			
		<b>6365</b>	9126
<b>(There is no discontinuing operation)</b>			
<b>Less : Tax Expenses :</b>			
1) Current Tax		2125	3200
2) Deferred Tax		22	26
3) Excess Provision of Income tax for Earlier Year (Net)		-11	-7
<b>IV. PROFIT FOR THE YEAR :</b>		<b>4229</b>	<b>5907</b>
<b>V. BASIC &amp; DILUTED EARNING PER SHARE (in Rs.) :</b>			
(a) Basic		63.77	89.07
(b) Diluted		63.77	89.07
<b>Significant Accounting Policies</b>	1		
<b>Notes are an integral part of the financial statements</b>	2-41		

As per our report of even date attached hereto.

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

For and on behalf of the Board

(ISHAN GOEL)  
Partner  
Membership No. 424241

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 22nd May, 2014

(RAJ KUMAR GUPTA)  
C S & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer



## Notes to Financial Statements

### Note:1 SIGNIFICANT ACCOUNTING POLICIES

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

##### A. SYSTEM OF ACCOUNTING :

The Financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 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-cancelable lease agreements for a specified period are renewable at the option of the lessee/licensee at mutually agreed term.
- (iv) The aggregate lease rentals receivable for the year is credited to the statement of profit & loss as Rental Income .

#### 1.4. INVENTORIES :

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

#### 1.5. INVESTMENTS :

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

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

#### 1.6. TRANSACTIONS IN FOREIGN CURRENCY :

##### a) Initial recognition :

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

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

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

##### c) Forward Exchange Contracts :

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

### **1.7. REVENUE RECOGNITION:**

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of 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**  
**31.03.2014**  
**(Amount in ₹ Lacs)**

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

**Note : 2**

**Share Capital**

**AUTHORISED :**

21000000 (11000000) Equity Shares of Rs.10/- each 2100 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**

	<b>As at</b> <b>31.03.2014</b>		<b>As at</b> <b>31.03.2013</b>	
	<b>Number of</b> <b>shares held</b>	<b>Amount</b> <b>in ₹ Lacs</b>	<b>Number of</b> <b>shares held</b>	<b>Amount</b> <b>in ₹ Lacs</b>
Equity Shares of Rs.10/- each fully paid up:-				
Opening Balance	<b>6631970</b>	<b>663</b>	6631970	663
Closing Balance	<b>6631970</b>	<b>663</b>	6631970	663

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

	<b>As at</b> <b>31.03.2014</b>		<b>As at</b> <b>31.03.2013</b>	
<b>Class of shares/name of shareowners</b>	<b>Number of</b> <b>shares held</b>	<b>Holding</b> <b>%</b>	<b>Number of</b> <b>shares held</b>	<b>Holding</b> <b>%</b>
Equity Shares of Rs.10/- each fully paid up:-				
a) Mrs. Arti D Kothari	<b>631772</b>	<b>9.53%</b>	631772	9.53%
b) Mr. Deepak Kothari jointly with Mrs. Arti D Kothari	<b>3051916</b>	<b>46.02%</b>	3051916	46.02%
c) Mitesh Kothari (HUF)	<b>406244</b>	<b>6.13%</b>	406244	6.13%
d) Dham Securities Pvt Ltd	<b>733333</b>	<b>11.06%</b>	733333	11.06%
e) Magnus Properties Pvt Ltd	<b>375581</b>	<b>5.66%</b>	375581	5.66%

**As at**  
**31.03.2014**  
**(Amount in ₹ Lacs)**

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

**Note : 3**

**Reserves and Surplus**

**(a) Preference Shares Redemption Reserve**

As per last Balance Sheet	<u>3</u>	<u>3</u>
Closing balance	<u>3</u>	<u>3</u>

**(b) General Reserve**

As per last Balance Sheet	35485	34894
Add : Transferred from Statement of Profit & Loss	423	591
Less : Utilised during the year	<u>0</u>	<u>0</u>
Closing balance	<u>35908</u>	<u>35485</u>

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

As per last Balance Sheet	31999	28234
Add : Profit for the year	<u>4229</u>	<u>5907</u>
	<b>36228</b>	<b>34141</b>
Less : Appropriations		
Transfer to General Reserve	423	591
Proposed Dividend on Equity Shares	1193	1326
Provision for Tax on Proposed Dividend	<u>203</u>	<u>225</u>
Closing balance	<u>34409</u>	<u>31999</u>
<b>TOTAL</b>	<u><b>70320</b></u>	<u><b>67487</b></u>

**Note : 4**

**Deferred Tax Liabilities (Net)**

**Deferred Tax Liabilities**

Arising Due to Difference between Written Down Value of Fixed Assets as per the Books of Accounts and Income tax Act, 1961	107	73
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**Deferred Tax Assets**

Arising due to diminution in value of Current Investment	<u>-12</u>	<u>0</u>
<b>TOTAL</b>	<u><b>95</b></u>	<u><b>73</b></u>

**Note : 5**

**Short Term Borrowings**

**5 (a) Secured:**

Overdraft against fixed deposits receipts from Nationalised Banks	6832	15383
Cash Credit Limits from Nationalised Banks	123	23
Export Packing Credit Limits from Nationalised Banks	<u>4331</u>	<u>2741</u>
<b>TOTAL</b>	<u><b>11286</b></u>	<u><b>18147</b></u>

**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 , ranking pari passu with other multiple bankers.

**Collateral Securities:**

Term Deposit worth Rs. 400 lacs, equitable mortgage of property at Noida, equitable mortgage of property/ fixed deposit receipt worth Rs. 10 crores 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 other company and personal guarantee of two directors. Corporate guarantee by two other companies.

**State Bank of India:**

**Prime Securities:**

Hypothecation charge on current assets of the company both current and future.

**Collateral Securities:**

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

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

As at  
31.03.2014  
(Amount in ₹ Lacs)

As at  
31.03.2013  
(Amount in ₹ Lacs)

**5(b) Unsecured:  
Loans and Advances from Related Parties**

From Directors		<u>24</u>	748
	<b>TOTAL</b>	<u>24</u>	748
	<b>GRAND TOTAL</b>	<u>11310</u>	18895

**Note : 6**

**Trade Payables**

Trade Payables (including acceptances)		<u>181933</u>	164219
	<b>TOTAL</b>	<u>181933</u>	164219

**Note : 7**

**Other Current Liabilities**

Advance Against Orders		44242	62533
Due to Directors		30	34
Unpaid/ Unclaimed Dividend		21	19
Security Deposit Received		205	205
Statutory Liabilities		25	48
Outstanding Liabilities		<u>500</u>	474
	<b>TOTAL</b>	<u>45023</u>	63313

**Note : 8**

**Short Term Provisions**

Provision for Taxation		7726	7301
Proposed Dividend		1193	1326
Tax on Proposed Dividend		<u>203</u>	225
	<b>TOTAL</b>	<u>9122</u>	8852

**NOTE : 9**

**Fixed Assets**

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at	Additions	Transfer	As at	Up To	For the Adjustment	Up To	As at	As at
	31.03.13			31.03.14	31.03.13	year	31.03.14	31.03.14	31.03.13
<b>Tangible Assets</b>									
Freehold Land	761	0	0	761	251	0	0	510	510
Building (Office)	1253	0	0	1253	80	21	0	1152	1173
Motor Cars/Scooter	848	99	83	864	381	82	52	411	467
Computers	24	1	0	25	18	4	0	22	6
Office Equipment	129	0	0	129	40	6	0	46	89
Temporary Structure	77	0	0	77	77	0	0	77	0
Furniture & Fixture	37	0	0	37	10	2	0	12	27
Building(Godown)	0	297	0	297	0	5	0	5	0
<b>TOTAL</b>	3129	397	83	3443	857	120	52	925	2272
Previous Year	1987	1155	13	3129	714	150	7	857	2272



Quantity (Nos.)		(Amount in ₹ Lacs)	
As at	As at	As at	As at
31.03.2014	31.03.2013	31.03.2014	31.03.2013

**NOTE : 10**

**Non Current Investments**

**A. Quoted - Non Trade**

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

Agro Tech Foods Limited of Rs.10/-	12000	0	67	0
Alstom India Ltd of Rs.10/-	38005	52384	281	396
Axis Bank Ltd of Rs.10/-	0	7000	0	97
Bajaj Corp Limited of Re.1/-	25000	0	68	0
Bajaj Finance Ltd of Rs.10/-	3262	17210	38	229
Bata India Ltd of Rs.10/-	1000	19500	9	172
Bombay Rayon Fashions Ltd of Rs.10/-	488461	53853	1120	141
Britania Industries Ltd of Rs.2/-	0	35000	0	177
Camson Biotechnologies Ltd of Rs.10/-	43000	376425	26	229
Cummins India Ltd of Rs.2/-	29950	108344	0	549
DB Realty Ltd of Rs.10/-	0	205000	0	145
Dhanlaxmi Bank Ltd. of Rs.10/-	215000	215000	359	359
Exide Industries Ltd of Re.1/-	0	86856	0	122
Glenmark Pharmaceuticals Ltd of Re.1/-	0	10000	0	52
Greaves Cotton Limited of Rs. 2/-	0	128004	0	117
Godrej Consumer Products Ltd of Re.1/-	0	3000	0	22
ICICI Bank Ltd of Rs.10/-	0	2500	0	29
IDFC Ltd of Rs.10/-	94500	128500	165	230
IIFL Holdings Ltd of Rs.2/-	0	25000	0	16
Jubliant Foodworks Ltd of Rs.10/-	0	7500	0	95
Jyothy Laboratories Ltd of Re.1/-	14000	78000	24	128
Karur Vysya Bank Ltd. of Rs. 10/-	45000	68046	143	272
Lanco Infra Tech Limited of Re.1/-	55000	0	4	0
Lupin Ltd of Rs.2/-	0	19000	0	116
M&M Financial Services Ltd of Rs.2/-	0	80000	0	174
Mandhana Industries Ltd of Rs.10/-	4575	113500	11	283
Marico Ltd of Re.1/-	60500	50500	136	112
Marico Kaya Enterprises Ltd. of Rs.10/-	1210	0	0	0
Mindtree Ltd of Rs.10/-	0	7500	0	56
Motherson Sumi Systems Ltd of Re.1/-	2000	100000	2	192
NIIT Technologies Ltd of Rs.10/-	0	30000	0	81
Pidilite Industries Ltd of Re.1/-	0	83000	0	177
Prakash Industries Ltd of Rs.10/-	0	54007	0	19
Rallis India Ltd of Re.1/-	33000	102510	51	156
Reliance Industries Limited of Rs.10/-	14500	0	128	0
Stampede Capital Limited of Rs.10/-	200000	0	175	0
State Bank of India of Rs. 10/-	15	15	0	0
Titan Industries Company Ltd of Re.1/-	0	25000	0	72
Torrent Pharmaceuticals Ltd of Rs.5/-	0	10300	0	77
Triveni Turbine Limited of Re.1/-	17500	0	10	0
Uflex Ltd. of Rs. 10/-	492056	492056	498	498
Welspun India Ltd of Rs.10/-	0	34582	0	24
Whirlpool of India Ltd. of Rs.10/-	110000	125000	345	394
Wockhardt Ltd of Rs.5/-	0	7379	0	143
Zylog Systems Ltd. of Rs.5/-	90000	90000	252	252
<b>Aggregate Cost</b>	<b>TOTAL (A)</b>		<b>3912</b>	<b>6403</b>

NOTE : 10 CONTINUED

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
<b>Aggregate Market Value</b>			<b>3071</b>	<b>5284</b>
<b>B. Unquoted</b>				
<b>I. Non-trade</b>				
(a) Capital Contribution in India Growth Fund			343	373
(b) Application Money for Shares			3036	3036
(c) Equity Shares of Bio- Ethanol Agro Industries Ltd. of Rs. 10/- each fully paid-up	0	500000	0	175
<b>II. Trade</b>				
<b>(a) Investments in Equity Shares of wholly owned subsidiary Companies, each Fully paid up</b>				
IMK Hotels Private Ltd. of Rs. 10/-	0	250000	0	301
M.K. WEB TECH PRIVATE LTD. OF RS. 10/-	250000	250000	190	190
KPL Exports Private Ltd. of Rs. 10/-	2000000	1000000	100	100
Sukhdham Constructions & Developers Limited of Rs.10/-	100000	100000	10	10
<b>(b) Investments in Equity Shares of other subsidiary Companies, each Fully paid up</b>				
Blackplinth Realtors Pvt Ltd	27000	27000	3	3
Riverview Land Developers Pvt Ltd	90000	90000	9	9
Savitrimata Realtors Pvt. Ltd. Class B Shares of Rs. 10/-	25500	25500	107	107
Kothari Products Singapore Pte. Ltd. of SGD 1/-	10000000	10000000	3746	3746
<b>(c) Investments in Equity Shares of other Companies, each Fully paid up</b>				
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
<b>(d) Investment in Preference Shares of other companies, each fully paid-up of Rs.10/- each</b>				
0.001% Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1493670	1057799	2458	1391
0.001% Optionally Convertible Redeemable Preference Shares of Hara Parvati Realtors Pvt. Ltd.	849233	849233	591	591
<b>(e) Others</b>				
National Savings Certificate (Deposited with Commercial Tax)			0	0
1% Unsecured Non Convertible Debentures of Real Griha Nirman Private Limited	30000	30000	300	300
1% Non Convertible Debenture of Neelanchal Contech Pvt Ltd	120000	0	1200	0
<b>C. Investment in immovable property</b>			<b>251</b>	<b>232</b>
<b>TOTAL (B)</b>			<b>12363</b>	<b>10583</b>
<b>TOTAL (A+B)</b>			<b>16275</b>	<b>16986</b>

**As at**  
**31.03.2014**  
**(Amount in ₹ Lacs)**

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

**Note : 11**

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

(a) Security Deposits	<b>8</b>	8
(b) Loans & Advances to related parties		
(i) Loans to Associate Companies	<b>3775</b>	3753
(ii) Loans to Subsidiaries:-		
- Sukhdham Constructions & Developers Ltd.	<b>721</b>	975
- Savitrimata Realtors Pvt. Ltd.	<b>2490</b>	2247
- Riverview Land Developers Pvt. Ltd.	<b>1201</b>	1100
- M.K. Web Tech Pvt. Ltd.	<b>434</b>	636
- Blackplinth Realtors Pvt. Ltd.	<b>713</b>	590
(c) Other Loans & Advances		
- Advances for Properties	<b>67</b>	567
- Loans to Others	<b>1346</b>	1186
<b>TOTAL</b>	<b><u>10755</u></b>	<u>11062</u>

	Quantity (Nos.)	
	<b>As at</b>	<b>As at</b>
	<b>31.03.2014</b>	<b>31.03.2013</b>
		Amount in ₹ Lacs
	<b>As at</b>	<b>As at</b>
	<b>31.03.2014</b>	<b>31.03.2013</b>

**Note : 12**

**Current Investments**

**(A) Mutual Funds (units, each, fully paid up)**

HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Weekly Dividend of Rs.10/-	<b>142942.550</b>	135022.549	<b>14</b>	13
Baroda Pioneer Treasury Advantage Fund Plan A-Growth of Rs.1000/-	<b>0.000</b>	15083.928	<b>0</b>	200
Birla Sun Life Income Plus-Regular Plan-Growth of Rs.10/-	<b>0.000</b>	375814.813	<b>0</b>	200
HDFC Liquid Fund- Direct Plan- Growth Option of Rs.10/-	<b>0.000</b>	323277.261	<b>0</b>	75
ICICI Prudential Income Plan-Regular Plan-Growth of Rs.10/-	<b>0.000</b>	538663.952	<b>0</b>	200
IDFC Super Saver Income Fund-Investment Plan-Regular Plan-Growth of Rs.10/-	<b>0.000</b>	704542.893	<b>0</b>	200
Reliance Dynamic Bond Fund-Growth of Rs.10/-	<b>0.000</b>	1271698.353	<b>0</b>	200
Reliance Liquid Fund of Rs.1000/-	<b>0.000</b>	23892.236	<b>0</b>	680
Reliance Liquidity Fund-Growth Plan Growth Option of Rs.1000/-	<b>33766.258</b>	0.000	<b>639</b>	0
Reliance Money Manager of Rs.1000/-	<b>0.000</b>	12540.334	<b>0</b>	200
SBI Magnum Income Fund-Regular Plan-Growth of Rs.10/-	<b>5617959.124</b>	0.000	<b>1715</b>	0
Templeton India Short Term Income Plan-Growth of Rs.1000/-	<b>0.000</b>	8519.044	<b>0</b>	200
<b>Aggregate Cost</b>			<b><u>2368</u></b>	2168
Less:Provision for diminution in value of Mutual Funds			<b><u>35</u></b>	0
	(A)		<b><u>2333</u></b>	2168
<b>Aggregate Market Value</b>			<b><u>2347</u></b>	2173
<b>(B) Fixed Deposit Accounts (Including interest accrued but not due) **</b>	(B)		<b><u>132778</u></b>	120724
	(A)+(B)		<b><u>135111</u></b>	122892

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

	<b>As at 31.03.2014 (Amount in ₹ Lacs)</b>	<b>As at 31.03.2013 (Amount in ₹ Lacs)</b>
<b>Note : 13</b>		
<b>Inventories</b>		
(At cost or net realisable Value whichever is lower, as certified by the management)		
Trading Items	2861	2145
Real Estate (Work-in-progress)	5051	5143
<b>TOTAL</b>	<b>7912</b>	<b>7288</b>
<b>Note : 14</b>		
<b>Trade Receivables (Unsecured Considered good)</b>		
(a) Debts outstanding for over six months	7684	24073
(b) Other debts	115242	98726
<b>TOTAL</b>	<b>122926</b>	<b>122799</b>
<b>Note : 15</b>		
<b>Cash &amp; Cash Equivalent</b>		
<b>Cash &amp; Bank Balances:</b>		
(a) Cash in hand and in transit	86	88
(b) Cheques in hand	2401	4837
(c) Balances with Scheduled Banks		
(i) In Current Accounts & E E F C Accounts	3708	10199
(ii) In Unclaimed Dividend accounts	21	19
(iii) In Fixed Deposit Accounts (Including interest accrued but not due)	117	1072
<b>TOTAL</b>	<b>6333</b>	<b>16215</b>
<b>Note : 16</b>		
<b>Short Term Loans and Advances (Unsecured Considered Good)</b>		
<b>Loans &amp; Advances to related parties</b>		
Due from KPL Exports Pvt. Ltd., A Wholly Owned Subsidiary	4301	14453
<b>Advance Income Tax and Tax Deducted at Source</b>	<b>8950</b>	<b>7299</b>
<b>Other Loans &amp; Advances</b>		
-Advance recoverable in cash or in kind or for value to be received or pending adjustments	3385	2236
<b>TOTAL</b>	<b>16636</b>	<b>23988</b>
	<b>For the Year Ended 31.03.2014 (Amount in ₹ Lacs)</b>	<b>For the Year Ended 31.03.2013 (Amount in ₹ Lacs)</b>
<b>Note : 17</b>		
<b>Revenue from Operations</b>		
(a) Sales of Traded Goods	417192	381768
(b) Other Operating Revenues		
(i) Interest Earned on Fixed Deposit Receipts held for Business Purposes	11445	12450
(ii) Profit on Cancellation of Property Deal	243	486
(iii) Rental Income	397	338
(iv) Miscellaneous Income	988	276
<b>TOTAL</b>	<b>430265</b>	<b>395318</b>

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

For the Year Ended  
31.03.2013  
(Amount in ₹ Lacs)

**Note : 18**

**Other Income**

(a) Dividend Income (Gross)	57	110
(b) Interest on Loans to Subsidiaries	1415	566
(c) Interest on Other Loans & Advances	541	989
(d) Profit on Sale of Investments	284	0
<b>TOTAL</b>	<u>2297</u>	<u>1665</u>

**Note : 19**

**Purchases of Stock-in-trade**

Purchases of Traded Goods	398222	364248
<b>TOTAL</b>	<u>398222</u>	<u>364248</u>

**Note : 20**

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

**Opening Stock :**

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

**Closing Stock :**

Trading Items	2861	2145
Real Estate (Work-in-progress)	5051	5143
	<u>7912</u>	<u>7288</u>
	<u>-624</u>	<u>3276</u>

**Note : 21**

**Employee Benefit Expenses**

Salaries, Wages and Bonus	114	86
Contribution to Provident and other Funds	5	4
Gratuity	2	1
Staff welfare and Other Expenses	70	35
<b>TOTAL</b>	<u>191</u>	<u>126</u>

**Note : 22**

**Finance Cost**

Interest Cost	1927	1678
<b>TOTAL</b>	<u>1927</u>	<u>1678</u>

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

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

**Note : 23**

**Other Expenses**

Electricity Expenses	59	52
Bank Charges	1863	1602
General Insurance	12	11
Transit Insurance	4	8
Freight & Cartage Inward	3088	5606
Rent	151	177
Rates & Taxes	1	1
Loss on Foreign Currency Transactions and Translation	20147	6610
Repairs :		
Building	42	15
Others	22	25
Selling & Distribution Expenses	51	174
Travelling & Conveyance	145	123
Miscellaneous Expenses	338	315
Loss on Sale of Investments	0	806
Loss on Sale of Fixed Assets	9	2
Payment to Auditors :		
Statutory Audit Fee	2	2
Tax Audit Fee	1	1
Bad Debts	24	2829
Directors' Remuneration	20	20
Directors' Commission	382	0
Directors' Sitting Fee	0	0
<b>TOTAL</b>	<b><u>26361</u></b>	<b><u>18379</u></b>
	<b>As at 31.03.2014</b>	<b>As at 31.03.2013</b>

**Note : 24**

**Contingent Liabilities :**

<b>24.1</b> Corporate Guarantees issued by the Company to certain banks on behalf of one of its subsidiary	29449	26052
	<b>(USD 49 Million)</b>	<b>(USD 33.5 Million &amp; SGD 18 Million)</b>
<b>24.2</b> Corporate Guarantee issued by the Company to Nationalised banks on behalf of associate companies	26000	26000
<b>24.3</b> Corporate Guarantee issued by the Company to a Nationalised bank on behalf of one of its wholly owned subsidiary	20500	NIL
	<b>For the Year Ended 31.03.2014 (Amount in ₹ Lacs)</b>	<b>For the Year Ended 31.03.2013 (Amount in ₹ Lacs)</b>

**Note : 25**

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

Stock-in-trade	384410	358068
----------------	--------	--------



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

For the Year Ended  
31.03.2013  
(Amount in ₹ Lacs)

**Note : 26**

**Expenditure in Foreign Currency**

Travelling Expenses	13	7
Import of Goods- Trading Items	384410	358068

**Note : 27**

**Earning in Foreign Currency**

Export of goods on F.O.B. Basis	385510	337526
---------------------------------	--------	--------

**Note : 28**

**Payment to Auditors**

(a) As Auditors	2	2
(b) For Tax Audit	1	1

**Note: 29**

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

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

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

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

**(A) Segment Revenue (Net Sales/ Income)**

(a) Trading Items	430770	381768
(b) Real Estate etc.	1782	1403
<b>TOTAL</b>	<b>432552</b>	<b>383171</b>

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

(a) Trading Items	7045	9848
(b) Real Estate etc.	1247	956
Net Profit Before Interest	8292	10804
(c) Interest Expenses	1927	1678
(d) Unallocated Expenses	0	0
Net Profit Before tax	6365	9126

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

	<b>31.03.2014</b>	<b>31.03.2013</b>
(a) Trading Items	41177	35170
(b) Real Estate etc.	29806	32980
(Capital employed is net of inter-segmental transfer )		
<b>TOTAL</b>	<b>70983</b>	<b>68150</b>

**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.	-IMK Agro Developers Pvt. Ltd.	-Sankhya Realtors Private Limited
-Aastitva Builders & Developers Pvt. Ltd.	-IMK Agro- Tech Properties Pvt. Ltd.	-Saphire Housing Pvt. Ltd.
-Aman Leasing & Housing Finance Pvt. Ltd.	-IMK Developers Pvt. Ltd.	-Sattva Infrastructure India Pvt. Ltd.
-Aman Overseas Pvt. Ltd.	-IMK Hospitality Pvt. Ltd.	-Sattva Realtors Pvt Ltd
-Aman Spices Pvt. Ltd.	-IMK Hotels 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.	-Kripalu Infratech & Builders Pvt. Ltd.	-Sky King Realtors LLP
-Bhojeshwar Realtors Private Limited	-Lohewala Construction Pvt. Limited	-Splint Realtors LLP
-BKC Properties Pvt. Ltd.	-Margo Properties Pvt. Ltd.	-Spica Properties Pvt. Ltd.
-Black Plinth Developers LLP	-Mataji Developers Pvt. Ltd.	-SPPL Hotels Private Limited
-Blue Berry Trading Company Pvt. Ltd.	-MK Profinlease Pvt. Ltd.	-Shubhadra Realtors Private Limited
-Camelia Griha Nirman Pvt. Ltd.	-Monotype Griha Nirman Pvt. Ltd.	-Super King Realtors LLP
-Clastic Rock Realtors Pvt. Ltd.	-MSR Properties Pvt. Ltd.	-Supraja Properties Pvt. Ltd.
-Dham Securities Pvt. Limited	-Orbus Property Pvt. Ltd.	-Synergy School Systems Pvt. Ltd.
-DK Web-Tech Pvt. Ltd.	-Pan Parag India Limited	-Titania Technology Pvt. Ltd.
-DMK Holdings Pvt. Ltd.	-Pandeep Technologies & Infrastructure Pvt. Ltd.	-Township Real Estate Developers (I) Pvt. Ltd.
-Ekta Flavours Pvt. Limited	-Parmy Manufactory Pvt. Ltd.	-Vaishnodevi Realtors Pvt. Ltd.
-Elvis Properties Pvt. Ltd.	-Real Griha Nirman Private Ltd.	-Venkatesh Griha Nirman Pvt. Ltd.
-Fobos Properties Pvt. Ltd.	-Raj Power Parts and Engineering Co Pvt Ltd	-Warasgaon Lake View Hotels Ltd.
-H & M Housing Finance & Leasing Pvt. Ltd.	-Salarpuria Consultants Pvt. Ltd.	-White Plinth Realtors LLP
-Hara Parvati Realtors Pvt. Ltd.	-Salarpuria Profin Pvt. Ltd.	-Yoga Builders Pvt. Ltd.

## (C) Subsidiary Companies :

### (I) Direct Subsidiaries:

- Sukhddham Constructions & Developers Limited
- MK Web-Tech Pvt. Limited
- KPL Exports Pvt. Limited
- Kothari Products Singapore Pte. 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	(Amount in ₹ Lacs)					
	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	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Directors' Remuneration etc.	402	20	0	0	0	0
On Account of Expenses	12	13	62	59	107	78
On Account of Interest on Loan Taken	34	68	0	0	0	0
On Account of Income - Rent	0	0	12	12	1	1
Interest Income on Loan Given	0	0	363	818	1415	566
Interest Received on Debentures	0	0	8	0	0	0
Investment in Shares During the year	0	0	1067	625	0	97
Investment in Debentures During the year	0	0	1200	300	0	0
Sale of Investment	0	0	463	830	0	0
Dividend Paid	848	636	147	110	0	0
Corporate Guarantees issued and outstanding as on date	0	0	26000	26000	49949	26052
Outstanding (Payable)	52	780	0	0	0	0
Outstanding (Receivable)	0	0	3775	3254	9860	20600

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

2013-14  
(Amount in ₹ Lacs)

2012-13  
(Amount in ₹ Lacs)

**Note : 31**

**Earning Per Share**

(a) Profit after tax (Profit attributable to Equity Shareholders)	4229	5907
(b) Weighted average nos. of Equity Shares (Pre-Bonus) for Basic / Diluted EPS	6631970	6631970
(c) Nominal Value of Equity Share (in Rs.)	10.00	10.00
(d) Basic and Diluted Earning per Equity Share (in Rs.) (Pre-Bonus)	63.77	89.07
(e) Weighted average nos. of Equity Shares (Post Bonus) for Basic/Dilutes EPS	19895910	19895910
(f) Basic and Diluted Earning per Equity Share (in Rs.) (Post-Bonus)	21.26	29.69

**Note : 32**

- (a) The deferred tax liability amounting to Rs. 107 lacs (Previous year Rs. 73 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. 34 lacs (Previous year Rs. 26 Lacs) has been provided during the year.
- (b) During the year the deferred tax asset amounting to Rs. 12 lacs (Previous year Rs. Nil) is on account of diminution in value of Current Investment as per Accounting Standard-13.

**Note : 33**

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

(Figures in Lacs)

Particulars of Derivatives	Derivative Contracts	31.03.2014		31.03.2013		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	1169	70280	535	29110	Hedge of Export and other Receivables Hedge of Import and other Payables
Buy	USD/INR	1178	70819	540	29348	

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

(Figures in Lacs)

Particulars	Currency	31.03.2014		31.03.2013	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	599	36003	991	53905
Import and other Payables	USD	2492	149766	3607	196184

**Note : 34**

**Operating Lease**

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

(Amount in ₹ Lacs)

	As on 31.03.2014	As on 31.03.2013
Not later than one year	384	384
Later than one year and not later than five year	838	1222
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**

M/s IMK Hotels Pvt Ltd which was a wholly owned subsidiary of the company has ceased to be its subsidiary w.e.f. 02-09-2013. There has been gain of Rs.162 Lacs on sale of entire shareholding of this company.

**Note : 40**

The Board of Directors of the Company had, in the Board Meeting held on 11th February, 2014, recommended issue of Bonus shares in the ratio of 2 Bonus shares for every one share held as on 2nd April, 2014 and the Company has completed allotment and despatch/credits of the aforesaid Bonus shares to the respective shareholders of the Company as on the aforesaid date.

**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

(ISHAN GOEL)  
Partner  
Membership No. 424241

Place : Kanpur  
Date : 22nd May, 2014

For and on behalf of the Board

(DEEPAK KOTHARI)  
Chairman & Managing Director

(RAJ KUMAR GUPTA)  
C S & Compliance Officer

(MITESH KOTHARI)  
Executive Director

(ANURAG TANDON)  
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

<b>PARTICULARS</b>	<b>2013-2014</b>	<b>(Amount in ₹ Lacs)</b>	
		<b>2012-2013</b>	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>			
Net Profit before Tax	6365		9126
Adjustments for:			
- Depreciation	120	150	
- Finance Cost	1927	1678	
- Net Unrealised Forex Gain (-) / Loss	-1014	222	
- Profit (-) / Loss on Sale of Assets	9	2	
- Net Profit on Sale of Investments	-183	745	
- Interest Income	-1956	-1555	
- Dividend Income	-57	-110	1132
<b>Operating Profit before Working Capital Changes</b>	<b>5211</b>		10258
Adjustments for:			
- Trade Receivables & Others	-23075	-17311	
- Inventories	-624	3276	
- Trade Payables & Others	22734	17946	3911
<b>Cash Generated from Operations</b>	<b>4246</b>		14169
Net Income Tax Paid	-3340		-2710
<b>Net Cash Flow from Operating Activities</b>	<b>906</b>		11459
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>			
- Purchase of Fixed Assets	-397	-351	
- Sale of Fixed Assets	22	3	
- Purchase of Investments- Others	-17962	-6381	
- Purchase of Investments- Subsidiaries	0	-97	
- Sale of Investments-Others	6175	8492	
- Sale of Investments-Subsidiaries	463	830	
- Loans to Subsidiary Companies (Net)	10141	-12903	
- Loans to Associate Companies (Net)	-22	4683	
- Loans to Others	-160	246	
- Interest Received	1956	1555	
- Dividend Received	57	110	-3813
<b>Net Cash flow from/(used in) Investing Activities</b>	<b>273</b>		-3813
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>			
- Secured Loans from Banks	-6861	6660	
- Loans from Director	-724	748	
- Dividend Paid	-1324	-995	
- Tax on Dividend Paid	-225	-161	
- Finance Cost	-1927	-1678	4574
<b>Net Cash flow from/(used in) Financing Activities</b>	<b>-11061</b>		4574
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>-9882</b>		12220
Cash & Cash Equivalents - Opening Balance	16215		3995
Cash & Cash Equivalents - Closing Balance	6333		16215

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

As per our report of even date attached hereto.

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

For and on behalf of the Board

(ISHAN GOEL)  
Partner  
Membership No. 424241

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 22nd May, 2014

(RAJ KUMAR GUPTA)  
C S & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

# **CONSOLIDATED FINANCIAL STATEMENTS**

## **INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To,  
The Board of Directors,  
Kothari Products Limited

We have audited the accompanying Consolidated Financial Statements of KOTHARI PRODUCTS LIMITED ("the Company"), its subsidiaries and joint ventures (the Company, its subsidiaries and joint ventures constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, 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") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the group as at 31st March, 2014;
- (b) in the case of Consolidated Statement of Profit & Loss, of the Profit of the group for the year ended on that date;  
and
- (c) in the case of Consolidated Cash Flow Statement, of the Cash Flows of the group for the year ended on that date.



### Other Matters

We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements whose financial statements reflect the total assets (net) of Rs.35132 lacs as at 31st March, 2014, total revenue (net) of Rs.62729 lacs and cash flows (net) amounting to Rs.1021 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,

(Ishan Goel)  
PARTNER  
Membership No. 424241

Place : Kanpur  
Date : 22nd May, 2014

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014**

PARTICULARS	NOTE	As at 31.03.2014 (Amount in ₹ Lacs)	As at 31.03.2013 (Amount in ₹ Lacs)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareowners' Funds</b>			
(a) Share capital	2	663	663
(b) Reserves and surplus	3	79178	73496
Minorities interest		2	2
<b>(2) Non-Current Liabilities</b>			
(a) Long term borrowings	4	6887	6087
(b) Deferred tax liabilities (Net)	5	96	65
<b>(3) Current Liabilities</b>			
(a) Short term borrowings	6	25486	26893
(b) Trade payables	7	247127	196429
(c) Other current liabilities	8	65102	67248
(d) Short term Provisions	9	10801	9992
<b>TOTAL</b>		<b>435342</b>	<b>380875</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Fixed assets			
- Tangible assets	10	5910	5156
(b) Goodwill on consolidation		219	219
(c) Non-current investments	11	14594	15403
(d) Long term loans and advances	12	5870	6034
(e) Other Non-current Assets	13	0	1
<b>(2) Current Assets</b>			
(a) Current Investments	14	162549	152867
(b) Inventories	15	18903	17327
(c) Trade receivables	16	189029	150304
(d) Cash and cash equivalents	17	17219	19846
(e) Short term loans and advances	18	21049	13718
<b>TOTAL</b>		<b>435342</b>	<b>380875</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes are an integral part of the financial statements</b>	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

(ISHAN GOEL)  
Partner  
Membership No. 424241

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 22nd May, 2014

(RAJ KUMAR GUPTA)  
C S & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2014

	NOTE	For the Year Ended 31.03.2014 (Amount in ₹ Lacs)	For the Year Ended 31.03.2013 (Amount in ₹ Lacs)
<b>I. REVENUE FROM OPERATIONS :</b>			
Revenue From Operations	19	574824	504373
Other Income	20	977	2642
<b>Total Revenue</b>		<b>575801</b>	<b>507015</b>
<b>II. EXPENSES :</b>			
Purchases of Stock-in-Trade	21	530967	463948
Increase (-) / Decrease (+) in Inventories of Stock-in-trade	22	-624	3276
Employee benefit expenses	23	495	317
Finance cost	24	3211	2386
Depreciation and amortization expense		180	250
Other expenses	25	32276	23929
<b>Total Expenses</b>		<b>566505</b>	<b>494106</b>
<b>III. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>			
<b>(There is no discontinuing operation)</b>			
<b>IV. Less : Tax expenses :</b>			
1) Current tax		2984	4193
2) Deferred tax		31	26
3) Excess provision of income tax for earlier year (Net)		-33	-19
<b>V. PROFIT FOR THE YEAR :</b>			
Less: Minorities interest		0	0
<b>VI. PROFIT FOR THE YEAR AFTER MINORITIES INTEREST</b>			
<b>VII. BASIC &amp; DILUTED EARNING PER SHARE (IN RS.) :</b>			
(a) Basic		95.21	131.32
(b) Diluted		95.21	131.32
<b>Significant Accounting Policies</b>	1		
<b>Notes are an integral part of the financial statements</b>	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

(ISHAN GOEL)  
Partner  
Membership No. 424241

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 22nd May, 2014

(RAJ KUMAR GUPTA)  
C S & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## Notes to Consolidated Financial Statements

### Note:1 SIGNIFICANT ACCOUNTING POLICIES

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

##### A. BASIS:

The consolidated financial statements are prepared in accordance with Accounting Standard (AS)-21- 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements comprise the financial statements of Kothari Products Limited and its subsidiaries, which have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances.

##### B. SYSTEM OF ACCOUNTING :

The Financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 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-cancelable lease agreements for a specified period are renewable at the option of the lessee/licensee at mutually agreed term.
- (iv) The aggregate lease rentals receivable for the year is credited to the statement of profit & loss as Rental Income .

#### 1.4. INVENTORIES :

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

#### 1.5. INVESTMENTS :

Investments are stated at cost less fall in their market value, if considered permanent. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss. Profit or Loss on sale of investments is determined on a first-in-first-out (FIFO) basis.

#### 1.6. TRANSACTIONS IN FOREIGN CURRENCY :

##### a) Initial recognition :

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

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

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

**c) Forward Exchange Contracts :**

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

**1.7. REVENUE RECOGNITION:**

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of 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)**

	<b>As at 31.03.2014 (Amount in ₹ Lacs)</b>	<b>As at 31.03.2013 (Amount in ₹ Lacs)</b>
<b>Note : 2</b>		
<b>Share Capital</b>		
<b>AUTHORISED :</b>		
21000000 (11000000) Equity Shares of Rs.10/- each	<u>2100</u>	<u>1100</u>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
6631970 Equity Shares of Rs.10/- each fully paid up	<u>663</u>	<u>663</u>
<b>TOTAL</b>	<u><b>663</b></u>	<u><b>663</b></u>

**2.1** The company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

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

	<b>As at 31st March, 2014</b>		<b>As at 31st March, 2013</b>	
	<b>Number of shares held</b>	<b>Amount in Rs. Lacs</b>	<b>Number of shares held</b>	<b>Amount in Rs. Lacs</b>
Equity Share of Rs.10/- each fully paid up:-				
Opening Balance	<u>6631970</u>	<u>663</u>	<u>6631970</u>	<u>663</u>
Closing Balance	<u>6631970</u>	<u>663</u>	<u>6631970</u>	<u>663</u>

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

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

**Note : 3**

**Reserves and Surplus :**

<b>(a) Preference Shares Redemption Reserve</b>	<u>3</u>	<u>3</u>
	<u>3</u>	<u>3</u>
<b>(b) Foreign Currency Translation Reserve</b>	<u>1335</u>	<u>577</u>
	<u>1335</u>	<u>577</u>
<b>(c) General Reserve</b>		
As at Commencement of the year	<b>35485</b>	34894
Add : Transferred from of Profit & Loss	<u>423</u>	<u>591</u>
	<u><b>35908</b></u>	<u>35485</u>

**NOTES CONTINUED**

**(CONSOLIDATED)**

	<b>As at 31.03.2014 (Amount in ₹ Lacs)</b>	<b>As at 31.03.2013 (Amount in ₹ Lacs)</b>
<b>(d) Profit &amp; Loss Account - As per account annexed</b>		
Opening Balance	37431	30938
Add: Profit for the year	<u>6314</u>	<u>8709</u>
	43745	39647
Less : Related to Ceased Subsidiary(s)	<u>-6</u>	<u>74</u>
	43751	39573
Less: Appropriations		
Transfer to General Reserve	423	591
Proposed Dividend on Equity Shares	1193	1326
Provision for Tax on Proposed Dividend	<u>203</u>	<u>225</u>
	41932	37431
<b>GRAND TOTAL</b>	<u><b>79178</b></u>	<u><b>73496</b></u>

**Note : 4**

**Long Term Borrowings**

**Unsecured**

From Salarpuria Properties Pvt. Ltd.	6	3
From SPPL Property Management Pvt. Ltd.	<u>6881</u>	<u>6084</u>
<b>TOTAL</b>	<u><b>6887</b></u>	<u><b>6087</b></u>

<b>As at 31.03.2014 (Amount in ₹ Lacs)</b>	<b>As at 31.03.2013 (Amount in ₹ Lacs)</b>
--	--

**Note : 5**

**Deferred Tax Liabilities (Net)**

**a. Deferred Tax Liabilities**

- Due to difference between WDV of Fixed Assets as per books of accounts and Income Tax Act, 1961	108	73
---	-----	----

**b. Deferred Tax Assets**

- Due to unallowable expenses	<u>-12</u>	<u>-8</u>
<b>TOTAL</b>	<u><b>96</b></u>	<u><b>65</b></u>

**Note : 6**

**Short Term Borrowings**

**6(a) Secured:**

Overdraft against fixed deposit receipts from Nationalised Banks	20706	23107
Cash Credit Limits from Nationalised Banks	123	23
Export Packing Credit Limits from Nationalised Banks	<u>4332</u>	<u>2741</u>
<b>TOTAL</b>	<u><b>25161</b></u>	<u><b>25871</b></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 and future, ranking pari passu with other multiple bankers.

**Collateral Securities:**

Term Deposit worth Rs. 400 lacs, equitable mortgage of property at Noida, equitable mortgage of property/ fixed deposit receipt worth Rs. 10 crores 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 an other company and personal guarantee of two directors. Corporate guarantee by two other companies.

**State Bank of India:**

**Prime Securities:**

Hypothecation charge on current assets of the company both current and future.

**Collateral Securities:**

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

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

	<b>As at 31.03.2014 (Amount in ₹ Lacs)</b>	<b>As at 31.03.2013 (Amount in ₹ Lacs)</b>
<b>6(b) Unsecured</b>		
Loans and Advances from Related Parties		
Loans from Directors	<b>24</b>	748
From Others		
From Other individuals	<b>301</b>	274
	<b>325</b>	1022
<b>TOTAL</b>	<b>25486</b>	26893

**NOTES CONTINUED**

**(CONSOLIDATED)**

**As at  
31.03.2014  
(Amount in ₹ Lacs)**

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

**Note : 7**

**Trade Payables**

Trade Payables (including acceptances)		<b>247127</b>	196429
<b>TOTAL</b>		<b>247127</b>	196429

**Note : 8**

**Other Current Liabilities**

Advance Against Orders		<b>62673</b>	64759
Due to Directors		<b>30</b>	34
Unclaimed / Unpaid Dividend		<b>20</b>	19
Security Deposit Received		<b>428</b>	224
Statutory Liabilities		<b>245</b>	250
Interest Accrued & Due		<b>160</b>	160
Outstanding Liabilities		<b>1546</b>	1802
<b>TOTAL</b>		<b>65102</b>	67248

**Note : 9**

**Short Term Provisions**

Provision for Taxation		<b>9405</b>	8441
Proposed Dividend		<b>1193</b>	1326
Tax on Proposed Dividend		<b>203</b>	225
<b>TOTAL</b>		<b>10801</b>	9992

**Note : 10**

**Fixed Assets**

PARTICULARS	GROSS BLOCK			As at 31.03.14	DEPRECIATION			Up To 31.03.14	NET BLOCK	
	As at 31.03.13	Additions	Transfer		Up To 31.03.13	For the year	Adjust- ment		As at 31.03.14	As at 31.03.13
<b>Tangible Assets:</b>										
Freehold Land	761	0	0	<b>761</b>	251	0	0	<b>251</b>	<b>510</b>	510
Building (Office)	3447	353	0	<b>3800</b>	325	58	0	<b>383</b>	<b>3417</b>	3122
Flats	971	19	0	<b>990</b>	49	16	0	<b>65</b>	<b>925</b>	922
Motor Cars	848	112	83	<b>877</b>	381	83	52	<b>412</b>	<b>465</b>	467
Computers	35	2	0	<b>37</b>	24	6	0	<b>30</b>	<b>7</b>	11
Office Equipment	134	5	0	<b>139</b>	42	8	0	<b>50</b>	<b>89</b>	92
Temporary Structure	77	0	0	<b>77</b>	77	0	0	<b>77</b>	<b>0</b>	0
Furniture & Fixture	48	28	0	<b>76</b>	16	9	0	<b>25</b>	<b>51</b>	32
Plant & Machinery	0	446	0	<b>446</b>	0	0	0	<b>0</b>	<b>446</b>	0
<b>TOTAL</b>	6321	965	83	<b>7203</b>	1165	180	52	<b>1293</b>	<b>5910</b>	5156
<b>Intangible Assets:</b>										
Computer Software	0	0	0	<b>0</b>	0	0	0	<b>0</b>	<b>0</b>	0
<b>Grand Total</b>	6321	965	83	<b>7203</b>	1165	180	52	<b>1293</b>	<b>5910</b>	5156
PREVIOUS YEAR	15118	1836	10633	<b>6321</b>	934	251	20	<b>1165</b>	<b>5156</b>	

(Amount in ₹ Lacs)

**NOTES CONTINUED**

**(CONSOLIDATED)**

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
<b>NOTE : 11</b>				
<b>Non Current Investments</b>				
<b>A. Quoted - Non Trade</b>				
<b>I. Equity Shares, Each, Fully Paid-up</b>				
Agro Tech Foods Limited of Rs.10/-	12000	0	67	0
Alstom India Ltd of Rs.10/-	38005	52384	281	396
Axis Bank Ltd of Rs.10/-	0	7000	0	97
Bajaj Corp Limited of Re.1/-	25000	0	68	0
Bajaj Finance Ltd of Rs.10/-	3262	17210	38	229
Bata India Ltd of Rs.10/-	1000	19500	9	172
Bombay Rayon Fashions Ltd of Rs.10/-	488461	53853	1120	141
Britania Industries Ltd of Rs.2/-	0	35000	0	177
Camson Biotechnologies Ltd of Rs.10/-	43000	376425	26	229
Cummins India Ltd of Rs.2/-	29950	108344	0	549
DB Realty Ltd of Rs.10/-	0	205000	0	145
Dhanlaxmi Bank Ltd. of Rs.10/-	215000	215000	359	359
Exide Industries Ltd of Re.1/-	0	86856	0	122
Glenmark Pharmaceuticals Ltd of Re.1/-	0	10000	0	52
Greaves Cotton Limited of Rs. 2/-	0	128004	0	117
Godrej Consumer Products Ltd of Re.1/-	0	3000	0	22
ICICI Bank Ltd of Rs.10/-	0	2500	0	29
IDFC Ltd of Rs.10/-	94500	128500	165	230
IIFL Holdings Ltd of Rs.2/-	0	25000	0	16
Jubliant Foodworks Ltd of Rs.10/-	0	7500	0	95
Jyothy Laboratories Ltd of Re.1/-	14000	78000	24	128
Karur Vysya Bank Ltd. of Rs. 10/-	45000	68046	143	272
Lanco Infra Tech Limited of Re.1/-	55000	0	4	0
Lupin Ltd of Rs.2/-	0	19000	0	116
M&M Financial Services Ltd of Rs.2/-	0	80000	0	174
Mandhana Industries Ltd of Rs.10/-	4575	113500	11	283
Marico Ltd of Re.1/-	60500	50500	136	112
Marico Kaya Enterprises Ltd. of Rs.10/-	1210	0	0	0
Mindtree Ltd of Rs.10/-	0	7500	0	56
Motherson Sumi Systems Ltd of Re.1/-	2000	100000	2	192
NIIT Technologies Ltd of Rs.10/-	0	30000	0	81
Pidilite Industries Ltd of Re.1/-	0	83000	0	177
Prakash Industries Ltd of Rs.10/-	0	54007	0	19
Rallis India Ltd of Re.1/-	33000	102510	51	156
Reliance Industries Limited of Rs.10/-	14500	0	128	0
Stampede Capital Limited of Rs.10/-	200000	0	175	0
State Bank of India of Rs. 10/-	15	15	0	0
Titan Industries Company Ltd of Re.1/-	0	25000	0	72
Torrent Pharmaceuticals Ltd of Rs.5/-	0	10300	0	77
Triveni Turbine Limited of Re.1/-	17500	0	10	0
Uflex Ltd. of Rs. 10/-	492056	492056	498	498
Welspun India Ltd of Rs.10/-	0	34582	0	24
Whirlpool of India Ltd. of Rs.10/-	110000	125000	345	394
Wockhardt Ltd of Rs.5/-	0	7379	0	143
Zylog Systems Ltd. of Rs.5/-	90000	90000	252	252
<b>Aggregate Cost</b>		<b>TOTAL (A)</b>	<b>3912</b>	<b>6403</b>
<b>Aggregate Market Value</b>			<b>3071</b>	<b>5284</b>

**NOTES CONTINUED**

**(CONSOLIDATED)**

	Quantity (Nos.)		(Amount in ₹ Lacs)	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
<b>B. Unquoted</b>				
<b>I. Non-trade</b>				
(a) Capital Contribution in India Growth Fund			343	373
(b) Application Money for Shares			3036	3036
(c) Equity Shares of Bio- Ethanol Agro Industries Ltd. of Rs. 10/- each fully paid-up	0	500000	0	175
<b>II. Trade</b>				
<b>(a) Investments in Equity Shares of other Companies, each Fully paid up</b>				
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
Warasgaon Lake View Hotels Limited of Rs.10/-	0	84082	0	707
Raj Power Parts & Engg. Co. Pvt. Ltd of Rs.100/-	3700	3700	594	592
<b>(b) Investment in Preference Shares of other companies, each fully paid-up of Rs.10/- each</b>				
0.001% Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1493670	1057799	2458	1391
0.001% Optionally Convertible Redeemable Preference Shares of Hara Parvati Realtors Pvt. Ltd.	849233	849233	591	591
<b>(c) Others</b>				
National Savings Certificate (Deposited with Commercial Tax)			0	0
1% Unsecured Non Convertible Debentures of Real Griha Nirman Private Limited	30000	30000	300	300
1% Non Convertible Debenture of Neelanchal Contech Pvt Ltd	120000	0	1200	0
			<u>2141</u>	<u>1816</u>
<b>TOTAL (B)</b>			<u>10682</u>	<u>9000</u>
<b>TOTAL (A+B)</b>			<u>14594</u>	<u>15403</u>
		<b>As at 31.03.2014</b>		<b>As at 31.03.2013</b>
		<b>(Amount in ₹ Lacs)</b>		<b>(Amount in ₹ Lacs)</b>

**Note : 12**

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

(a) Security Deposits	615	634
(b) Loans & Advances to related parties		
Loans to Associate Companies	3775	3146
(c) Other Loans & Advances:		
Service Tax Input Credit Receivable	12	11
Advance for Properties	67	1002
Advance paid for APHP	55	55
Loans to Others	1346	1186
<b>TOTAL</b>	<u>5870</u>	<u>6034</u>

**NOTES CONTINUED**

**(CONSOLIDATED)**

	<b>As at 31.03.2014 (Amount in ₹ Lacs)</b>	<b>As at 31.03.2013 (Amount in ₹ Lacs)</b>
<b>Note : 13</b>		
<b>Other Non Current Assets</b>		
Preliminary & Preoperative Expenses Not Written Off	<u>0</u>	<u>1</u>
<b>TOTAL</b>	<u><b>0</b></u>	<u><b>1</b></u>

	Quantity (Nos.)		Amount in ₹ Lacs	
	<b>As at 31.03.2014</b>	As at 31.03.2013	<b>As at 31.03.2014</b>	As at 31.03.2013

**Note : 14**

**Current Investments**

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

HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Weekly Dividend of Rs.10/-	<b>142942.550</b>	135022.549	<b>14</b>	13
Baroda Pioneer Treasury Advantage Fund Plan A-Growth of Rs.1000/-	<b>0.000</b>	15083.928	<b>0</b>	200
Birla Sun Life Income Plus-Regular Plan-Growth of Rs.10/-	<b>0.000</b>	375814.813	<b>0</b>	200
HDFC Liquid Fund- Direct Plan- Growth Option of Rs.10/-	<b>0.000</b>	323277.261	<b>0</b>	75
ICICI Prudential Income Plan-Regular Plan-Growth of Rs.10/-	<b>0.000</b>	538663.952	<b>0</b>	200
IDFC Super Saver Income Fund-Investment Plan-Regular Plan-Growth of Rs.10/-	<b>0.000</b>	704542.893	<b>0</b>	200
Reliance Dynamic Bond Fund-Growth of Rs.10/-	<b>0.000</b>	1271698.353	<b>0</b>	200
Reliance Liquid Fund of Rs.1000/-	<b>0.000</b>	23892.236	<b>0</b>	680
Reliance Liquidity Fund-Growth Plan Growth Option of Rs.1000/-	<b>33766.258</b>	0.000	<b>639</b>	0
Reliance Money Manager of Rs.1000/-	<b>0.000</b>	12540.334	<b>0</b>	200
SBI Magnum Income Fund-Regular Plan-Growth of Rs.10/-	<b>5617959.124</b>	0.000	<b>1715</b>	0
Templeton India Short Term Income Plan-Growth of Rs.1000/-	<b>0.000</b>	8519.044	<b>0</b>	200
<b>Aggregate Cost</b>	<b>TOTAL</b>		<b>2368</b>	2168
Less: Provision for diminution in value of Mutual Funds			<b>35</b>	0
	<b>(A)</b>		<b>2333</b>	2168
<b>Aggregate Market Value</b>			<b>2347</b>	2173
<b>(B) Fixed Deposit Accounts (Including interest accrued but not due) **</b>	<b>(B)</b>		<b>160216</b>	150699
	<b>(A)+(B)</b>		<b>162549</b>	152867

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

	<b>As at 31.03.2014 (Amount in ₹ Lacs)</b>	<b>As at 31.03.2013 (Amount in ₹ Lacs)</b>
--	--	--

**Note : 15**

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

Trading Items	<b>2861</b>	2145
Real Estate (Work-in-Progress)	<b>16042</b>	15182
<b>TOTAL</b>	<u><b>18903</b></u>	<u>17327</u>

**NOTES CONTINUED**

**(CONSOLIDATED)**

	<b>As at 31.03.2014 (Amount in ₹ Lacs)</b>	<b>As at 31.03.2013 (Amount in ₹ Lacs)</b>
<b>Note : 16</b>		
<b>Trade Receivables (Unsecured Considered good)</b>		
(a) Debts outstanding for over six months	7684	24073
(b) Other debts	<u>181345</u>	<u>126231</u>
<b>TOTAL</b>	<u><b>189029</b></u>	<u><b>150304</b></u>

**Note : 17**

**Cash & Cash Equivalent**

Cash & Bank Balances:

(a) (i) Cash in hand and in transit	92	90
(ii) Cheques in Hand	2401	4836
(b) Balances with Scheduled Banks		
(i) In Current Accounts & E E F C Account	11053	10631
(ii) In Unclaimed Dividend accounts	20	19
(iii) In Fixed Deposit Account (Including interest accrued but not due)	<u>3653</u>	<u>4270</u>
<b>TOTAL</b>	<u><b>17219</b></u>	<u><b>19846</b></u>

**Note : 18**

**Short Term Loans and Advances**

Advance Income Tax and Tax Deducted at Source

10458 8051

**Other Loans & Advances**

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

10591 5667

**TOTAL** **21049** **13718**

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

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

**Note : 19**

**Revenue from Operations**

(a) Sales of Traded Goods	558972	487529
(b) Other Operating Revenues		
(i) Interest Earned on Bank Deposits held for Business Purposes	13947	15262
(ii) Profit on Cancellation of Property Deal	243	486
(iii) Miscellaneous Income	990	276
(iv) Rental Income	<u>672</u>	<u>820</u>
<b>TOTAL</b>	<u><b>574824</b></u>	<u><b>504373</b></u>

**NOTES CONTINUED**

**(CONSOLIDATED)**

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

For the Year Ended  
31.03.2013  
(Amount in ₹ Lacs)

**Note : 20**

**Other Income**

(a) Interest on Fixed Deposits	10	39
(b) Dividend Income	57	110
(c) Interest on Loans	541	989
(d) Profit on Sale of Investments	284	0
(e) Profit on Sale of Fixed Assets	0	1504
(f) Miscellaneous Receipts	85	0
<b>TOTAL</b>	<u>977</u>	<u>2642</u>

**Note : 21**

**Purchases of Stock-in-Trade**

Purchases of Traded Goods	530967	463948
<b>TOTAL</b>	<u>530967</u>	<u>463948</u>

**Note : 22**

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

**Opening Stock:**

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

**Closing Stock :**

Trading Items	2861	2145
Real Estate (Work-in-Progress)	5051	5143
	<u>7912</u>	<u>7288</u>
	<u>-624</u>	<u>3276</u>

**Note : 23**

**Employee Benefit Expenses**

Salaries, Wages and Bonus	412	266
Contribution to Provident and other Funds	10	9
Gratuity	1	1
Staff welfare and Other Expenses	72	41
<b>TOTAL</b>	<u>495</u>	<u>317</u>

**Note : 24**

**Finance Cost**

Interest Cost	3211	2386
<b>TOTAL</b>	<u>3211</u>	<u>2386</u>



**NOTES CONTINUED**

**(CONSOLIDATED)**

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

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

**Note : 25**

**Other Expenses**

Electricity Expenses	79	56
Bank Charges	2114	1715
General Insurance	17	36
Transit Insurance	4	8
Freight & Cartage Inward	6613	8811
Rent	153	135
Rates & Taxes	23	32
Loss on Foreign Currency Transactions and Translation	22069	8115
Bad Debts	24	2829
Loss on sale of Fixed Asset	13	
Loss on Sale of Investments	0	945
Repairs :		
Building	41	30
Others	28	25
Selling & Distribution Expenses	96	611
Travelling & Conveyance	167	140
Miscellaneous Expenses	413	405
Payment to Auditors :		
Statutory Audit Fee	19	15
Tax Audit Fee	1	1
Directors' Remuneration	20	20
Directors' Commission	382	0
Directors' Sitting Fee	0	0
<b>TOTAL</b>	<b>32276</b>	<b>23929</b>

**Note : 26**

**Contingent Liabilities**

Corporate Guarantee issued by the Company to Nationalised Banks on behalf of associates	26000	26000
---	-------	-------

**Note: 27**

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

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

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

	As at 31.03.2013 (Amount in ₹ Lacs)	As at 31.03.2012 (Amount in ₹ Lacs)
<b>27.2. Segment Information are as under-</b>		
(A) Segment Revenue (Net Sales/ Income)		
(a) Trading Items	573577	487529
(b) Real Estate etc.	2211	1838
	<u>575788</u>	<u>489367</u>
(B) Segment Results [Profit(+)/ Loss(-) Before Tax]		
(a) Trading Items	10907	14070
(b) Real Estate etc.	1600	1225
Net Profit Before Interest	<u>12507</u>	<u>15295</u>
(c) Interest Expenses	3211	2386
Net Profit Before tax	<u>9296</u>	<u>12909</u>
(C) Capital Employed (Segment Assets - Segment Liabilities)		
(a) Trading Items	48682	40368
(b) Real Estate etc.	31159	33791
(Capital employed is net of inter-segmental transfer)	<u>79841</u>	<u>74159</u>

**Note : 28**

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

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

**(A) Key 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.	-IMK Agro Developers Pvt. Ltd.	-Sankhya Realtors Private Limited
-Aastitva Builders & Developers Pvt. Ltd.	-IMK Agro- Tech Properties Pvt. Ltd.	-Saphire Housing Pvt. Ltd.
-Aman Leasing & Housing Finance Pvt. Ltd.	-IMK Developers Pvt. Ltd.	-Sattva Infrastructure India Pvt. Ltd.
-Aman Overseas Pvt. Ltd.	-IMK Hospitality Pvt. Ltd.	-Sattva Realtors Pvt Ltd
-Aman Spices Pvt. Ltd.	-IMK Hotels 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.	-Kripalu Infratech & Builders Pvt. Ltd.	-Sky King Realtors LLP
-Bhojeshwar Realtors Private Limited	-Lohewala Construction Pvt. Limited	-Splint Realtors LLP
-BKC Properties Pvt. Ltd.	-Margo Properties Pvt. Ltd.	-Spica Properties Pvt. Ltd.
-Black Plinth Developers LLP	-Mataji Developers Pvt. Ltd.	-SPPL Hotels Private Limited
-Blue Berry Trading Company Pvt. Ltd.	-MK Profinlease Pvt. Ltd.	-Shubhadra Realtors Private Limited
-Camelia Griha Nirman Pvt. Ltd.	-Monotype Griha Nirman Pvt. Ltd.	-Super King Realtors LLP
-Clastic Rock Realtors Pvt. Ltd.	-MSR Properties Pvt. Ltd.	-Supraja Properties Pvt. Ltd.

**NOTES CONTINUED**
**(CONSOLIDATED)**

-Dham Securities Pvt. Limited	-Orbus Property Pvt. Ltd.	-Synergy School Systems Pvt. Ltd.
-DK Web-Tech Pvt. Ltd.	-Pan Parag India Limited	-Titania Technology Pvt. Ltd.
-DMK Holdings Pvt. Ltd.	-Pandeeep Technologies & Infrastructure Pvt. Ltd.	-Township Real Estate Developers (I) Pvt. Ltd.
-Ekta Flavours Pvt. Limited	-Parmy Manufactory Pvt. Ltd.	-Vaishnodevi Realtors Pvt. Ltd.
-Elvis Properties Pvt. Ltd.	-Real Griha Nirman Private Ltd.	-Venkatesh Griha Nirman Pvt. Ltd.
-Fobos Properties Pvt. Ltd.	-Raj Power Parts and Engineering Co Pvt Ltd	-Warasgaon Lake View Hotels Ltd.
-H & M Housing Finance & Leasing Pvt. Ltd.	-Salarpuria Consultants Pvt. Ltd.	-White Plinth Realtors LLP
-Hara Parvati Realtors Pvt. Ltd.	-Salarpuria Profin Pvt. Ltd.	-Yoga Builders Pvt. Ltd.

**(ii) Summary of Transactions:**

Particulars	Key Management Personnel & Relatives		Associate Companies	
	For the year ended / As on		For the year ended / As on	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Directors' Remuneration etc.	402	20	0	0
On Account of Expenses	12	13	62	59
On Account of Interest on Loan Taken	34	68	0	0
On Account of Income - Rent	0	0	12	12
Interest Income on Loan Given	0	0	363	818
Interest Received on Debentures	0	0	8	0
Investment in Shares During the year	0	0	1067	625
Investment in Debentures During the year	0	0	1200	300
Sale of Investment	0	0	463	830
Dividend Paid	848	636	147	110
Corporate Guarantees issued and outstanding as on date	0	0	26000	26000
Outstanding (Payable)	52	780	0	0
Outstanding (Receivable)	0	0	3775	3254

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.

**NOTES CONTINUED**

**(CONSOLIDATED)**

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

For the Year Ended  
31.03.2013  
(Amount in ₹ Lacs)

**Note : 30**

**Earning Per Share**

(a) Profit after tax (Profit attributable to Equity Shareholders)	<b>6314</b>	8709
(b) Weighted average nos. of Equity Shares (Pre-Bonus) for Basic / Diluted EPS	<b>6631970</b>	6631970
(c) Nominal Value of Equity Share (in Rs.)	<b>10.00</b>	10.00
(d) Basic and Diluted Earning per Equity Share (in Rs.) (Pre-Bonus)	<b>95.21</b>	131.32
(e) Weighted average nos. of Equity Shares (Post Bonus) for Basic/Dilutes EPS	<b>19895910</b>	19895910
(f) Basic and Diluted Earning per Equity Share (in Rs.) (Post-Bonus)	<b>31.74</b>	43.77

**Note : 31**

- (a) The deferred tax liability amounting to Rs. 108 lacs (Previous year Rs. 73 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. 35 lacs (Previous year Rs. 26 Lacs) has been provided during the year.
- (b) During the year the deferred tax asset amounting to Rs. 12 lacs ( Previous year Rs. 8 lacs) is on account of unallowable expenses which is capable of being reversed in one or more subsequent years. The deferred tax asset amounting to Rs. 4 lacs (previous year Rs. NIL) has been created during the year.

**Note : 32**

During the year finance cost of Rs.742 Lacs (Previous Year Rs.653Lacs) 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	31.03.2014		31.03.2013		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	<b>1169</b>	<b>70280</b>	535	29110	Hedge of Export and other Receivables
Buy	USD/INR	<b>1178</b>	<b>70819</b>	540	29348	Hedge of Import and other Payables

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

(Figures in Lacs)

Particulars	Currency	31.03.2014		31.03.2013	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	<b>1349</b>	<b>81061</b>	1231	66976
Import and other Payables	USD	<b>3536</b>	<b>212512</b>	3993	217180

**NOTES CONTINUED**

**(CONSOLIDATED)**

**Note : 34  
Operating Lease**

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

	<b>As on 31.03.2014</b>	(Amount in ₹ Lacs) As on 31.03.2013
Not later than one year	<b>384</b>	384
Later than one year and not later than five year	<b>838</b>	1222
Later than five year	<b>0</b>	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, MK Web-tech Private Limited, KPL Exports Pvt. Limited, Kothari Products Singapore Pte. Limited, IMK Hotels Pvt. Limited (till cessation), Savitrimata Realtors Pvt. Ltd., Blackplinth Realtors Private Limited and Riverview Land Developers Pvt Ltd.

**Note : 40**

M/s IMK Hotels Pvt Ltd which was a wholly owned subsidiary of the company has ceased to be its subsidiary w.e.f. 02-09-2013. There has been gain of Rs.162 Lacs on sale of investment in shares

**Note : 41**

The Board of Directors of the Company had, in the Board Meeting held on 11th February, 2014, recommended issue of Bonus shares in the ratio of 2 Bonus shares for every one share held as on 2nd April, 2014 and the Company has completed allotment and despatch/credits of the aforesaid Bonus shares to the respective shareholders of the Company as on the aforesaid date.

**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**

**(ISHAN GOEL)**  
Partner  
Membership No. 424241

**(DEEPAK KOTHARI)**  
Chairman & Managing Director

**(MITESH KOTHARI)**  
Executive Director

Place : Kanpur  
Date : 22nd May, 2014

**(RAJ KUMAR GUPTA)**  
C S & Compliance Officer

**(ANURAG TANDON)**  
Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014**

PARTICULARS	2013-2014	(Amount in ₹ Lacs) 2012-2013
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before Tax</b>	<b>9296</b>	12909
Adjustments for:		
- Depreciation	180	250
- Preliminary & Preoperative Expenses written off	0	1
- Finance Cost	3211	2386
- Exchange Translation Reserve on Consolidation	757	249
- Reserve related to Ceased Subsidiary	6	-74
- Net Unrealised Forex (Gain)/loss	-1014	222
- Profit (-) / Loss on Sale of Assets	13	-1504
- Net (gain)/Loss on Sale of Investments	-183	744
- Interest Income	-551	-1028
- Dividend Income	-57	-110
<b>Operating Profit/ (loss) before working capital changes</b>	<b>11658</b>	14045
Adjustments for:		
- Trade Receivables & Others	-46705	-38147
- Inventories	-1576	367
- Trade payables & Others	53574	14693
<b>Cash Generated from Operations</b>	<b>16951</b>	-9042
Net Income Tax (paid)/ Refund	-4394	-3255
<b>Net Cash flow from/(used in) Operating Activities</b>	<b>12557</b>	-12297
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
- Purchase of Fixed Assets	-965	-543
- Sale of Fixed Assets	18	12117
- Purchase of Investments- Others	-15027	-8597
- Sale of Investments	6337	7814
- Loans to associate companies (Net)	-629	3659
- Loans to others	-160	246
- Interest Received	551	1028
- Dividend Received	57	110
<b>Net Cash flow from/(used in) Investing Activities</b>	<b>-9818</b>	15834
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
- Bills discounted from bank	0	2181
- Secured Loans from banks	-710	14073
- Secured Loans from others	0	-5416
- Unsecured Loans	827	958
- Loans from director	-724	748
- Dividend Paid	-1323	-994
- Tax on Dividend Paid	-225	-161
- Finance Cost	-3211	-2386
<b>Net Cash flow from/(used in) Financing Activities</b>	<b>-5366</b>	9003
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>-2627</b>	12540
<b>Cash &amp; Cash Equivalents - Opening Balance</b>	<b>19846</b>	7306
<b>Cash &amp; Cash Equivalents - Closing Balance</b>	<b>17219</b>	19846

Note:

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

As per our report of even date attached hereto.

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

For and on behalf of the Board

(ISHAN GOEL)  
Partner  
Membership No. 424241

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 22nd May, 2014

(RAJ KUMAR GUPTA)  
C S & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

**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 31.03.2014	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 deal 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 deal with in the accounts of the Holding Company	For the financial year ended on 31.03.2014 became a subsidiary (Amount in ₹ Lacs)	For the financial year since it year ended on 31.03.2014 became a subsidiary (Amount in ₹ Lacs)
Sukhdham Constructions & Developers Ltd.	31.03.2014	100000 Equity Shares of Rs. 10/- each	100%	31	11	Nil	Nil
MK Web-Tech Pvt. Limited	31.03.2014	250000 Equity Shares of Rs. 10/- each	100%	246	165	Nil	Nil
KPL Exports Pvt. Ltd.	31.03.2014	1000000 Equity Shares of Rs. 10/- each	100%	1345	1200	Nil	Nil
Kothari Products Singapore Pte. Limited	31.03.2014	10000000 Equity Shares of SGD 1/- each	99.9998%	739	1663	Nil	Nil
Savitrimata Realtors Pvt. Ltd.	31.03.2014	25500 Class B Equity Shares of Rs. 10/- each	51%	-1	-1	Nil	Nil
Blackplinth Realtors Pvt Limited	31.03.2014	27000 Equity Shares of Rs. 10/- each	54%	-1	-1	Nil	Nil
Riverview Land Developers Pvt Limited	31.03.2014	90000 Equity Shares of Rs. 10/- each	90%	-4	-1	Nil	Nil

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

(ISHAN GOEL)  
Partner  
Membership No. 424241

Place : Kanpur  
Date : 22nd May, 2014

For and on behalf of the Board

(RAJ KUMAR GUPTA)  
Company Secretary

(ANURAG TANDON)  
Chief Financial Officer

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director



### FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31.03.2014

(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
							Non Quoted & Trade		Total Investment					
							(a) Shares	(b) Others						
1	Sukhdham Constructions & Developers Limited	31.03.2014	10	227	1005	1005	0	0	0	70	14	31	0	
2	MK Web-Tech Pvt. Limited	31.03.2014	25	1125	1807	1807	0	0	0	360	67	246	0	
3	KPL Exports Pvt. Limited	31.03.2014	200	3723	86495	86495	594	1890	2484	81920	710	1345	0	
4	Kothari Products Singapore Pte. Limited*	31.03.2014	4576	3782	29398	29398	0	0	0	62366	53	739	0	
5	Savitrinata Realtors Pvt. Limited	31.03.2014	5	-12	9637	9637	0	0	0	3	0	-1	0	
6	Blackplinth Realtors Pvt Limited	31.03.2014	5	-2	950	950	0	0	0	0	0	-1	0	
7	Riverview Land Developers Pvt Limited	31.03.2014	10	-23	2233	2233	0	0	0	0	0	-4	0	

\*The reporting currency of Financials of M/s Kothari Products Singapore Pte Ltd is in USD(\$) and conversion rate applied is 1USD = Rs. 60.0998



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

**ATTENDANCE SLIP**

I, hereby record my presence at the Thirtieth Annual General Meeting being held on **Friday, the 19th day of September, 2014 at 11:30 A.M. at Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave – 3, Kanpur.**

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

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

Please give full name of the Joint Holders.

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

**NOTES:**

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



TEAR HERE



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**FORM No. MGT-11**

**PROXY FORM**

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

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

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

1.	Name :	
	Address :	
	E-mail Id :	

or failing him

2.	Name :	
	Address :	
	E-mail Id :	

or failing him

3.	Name :	
	Address :	
	E-mail Id :	



**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](mailto:info@kothariproducs.in)

**FORM A**

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

1.	Name of the Company:	Kothari Products Ltd.
2.	Annual financial statements for the year ended	31st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	To be signed by- <ul style="list-style-type: none"><li>• CEO/Managing Director</li><li>• CFO</li><li>• Auditor of the company</li><li>• Audit Committee Chairman</li></ul>	    