

KPL/2018-19/BSE  
29.09.2018

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



Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find attached herewith soft copy of the Annual Report of the Company for the year 2017-18 which has been approved and adopted in the AGM of the Company held on 25<sup>th</sup> September, 2018.

Kindly do the needful.

Thanking you,

Yours faithfully  
for **KOTHARI PRODUCTS LTD.**

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

FCS – 3281

Address :

“Pan Parag House  
24/19, The Mall,  
Kanpur

**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

**Ahmedabad Stock Exchange Ltd**  
Kamdhenu Complex, Opp, Sahajanand College,  
Panjarapole, Ambawadi,  
Ahmedabad – 380001

**The Calcutta Stock Exchange Ltd.**  
7, Lyons Range,  
Kolkata – 700001

**Magadh Stock Exchange**  
9<sup>th</sup> floor Ashiana Plaza Budh Marg  
PATNA - 800 001

**MCX Stock Exchange Ltd**  
4<sup>th</sup> Floor, Vibgyor Tower  
Plot No.C 62, G Block  
Bandra Kurla Complex (BKC)  
Bandra (E)  
Mumbai - 400051

**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 • Website : www.kothariproducts.in

CIN No. - L 16008 UP 1983 PLC 006254



**KOTHARI**  
PRODUCTS LIMITED

34<sup>th</sup> annual report 2017-18

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## Cautionary Statement

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

## BOARD OF DIRECTORS

### *Chairman & Managing Director*

DEEPAK KOTHARI

### *Executive Director*

MITESH KOTHARI

### *Directors*

DR. AVINASH GUPTA  
PRAMOD KUMAR TANDON  
VIKAS CHATURVEDI  
POONAM ACHARYA

### *CS & Compliance Officer*

RAJ KUMAR GUPTA

### *Chief Financial Officer*

ANURAG TANDON

## AUDITORS

RAJIV MEHROTRA & ASSOCIATES  
Chartered Accountants  
3/3-A, Vishnupuri,  
Kanpur - 208 002.

## REGISTERED OFFICE & SECRETARIAL DEPARTMENT

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

## INVESTORS' GRIEVANCE E-MAIL ID

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

## AUDIT COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DEEPAK KOTHARI  
DR. AVINASH GUPTA  
VIKAS CHATURVEDI

## STAKEHOLDERS RELATIONSHIP COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DEEPAK KOTHARI  
MITESH KOTHARI  
DR. AVINASH GUPTA

## NOMINATION & REMUNERATION COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DR. AVINASH GUPTA  
VIKAS CHATURVEDI

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DEEPAK KOTHARI  
DR. AVINASH GUPTA

## RISK MANAGEMENT COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

VIKAS CHATURVEDI  
DR. AVINASH GUPTA  
DEEPAK KOTHARI

## II ALIVE IN OUR MEMORIES FOREVER II



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

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



## Chairman's Message

Dear Fellow Share Owners,

Once again I will feel honoured to be amongst all of you in the ensuing Annual General Meeting of a Company which has the tradition of nurturing its legacy of sustained growth & sacred values. I thank you all for being part of our journey of success.

To begin with, I would like to apprise all of our stake holders about the challenges faced by your Company during the period under review and the management efforts to overcome those successfully.

General domestic economic environment continued to be cautious as was anticipated after series of historic steps of economic reforms taken by the Government at the centre, international market also felt the heat due to various triggers like imposition of Trade Tariffs by different countries, continuous resurgence in international crude oil prices, unabated adverse currency fluctuation, stressed domestic liquidity together

with other geo political uncertainties. These challenges were very severe in the second half of the period under review. But I am pleased to share that despite such adverse business conditions, your Company could maintain satisfactory performance and could be able to increase the value of your investment, though less than the expectation. This happened due to management's pragmatic, conservative approach and financial prudence.

Let us be prepared for more such challenges in future but we always believe that growth opportunities are immense for those who make a successful transition to the new business models and align into new ways of working. Your Company is undergoing a transformation/ re-alignment by exploring new business opportunities/ models to evolve itself as a robust Company as it was always.

Implementation of RERA has started to give impetus to the Real estate sector growth especially to the actual consumer and opportunities are emerging and we are focused to seize those opportunities.

Your Company has continued to be a purposeful contributor in our communities through its various CSR initiatives to uplift the deprived society through social programs. We are dedicated for providing quality education and improving the quality of lives of the deprived elders of our society by undertaking projects of educational institutions & old age care centers.

Over more than 3 decades, your Company has continued to grow and evolve, creating value for the share owner and we are sure that we will continue to strive ahead.

In the end, I would like to place on record my sincere thanks to all the stake holders including consortium of Banks lead by Allahabad Bank for their continued support and faith in us. I would also like to thank my fellow colleagues for their valuable support and guidance.

With best wishes

Yours truly,



**Deepak Kothari**

Place : Kanpur

Dated : 29th July, 2018





## NOTICE:

Notice is hereby given that the Thirty Fourth Annual General Meeting of the Members of Kothari Products Limited will be held on Tuesday, the 25<sup>th</sup> September, 2018 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 receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2018 together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2018 together with the Reports of the Auditors thereon.
3. To declare Dividend for the aforesaid financial year.
4. To appoint a Director in place of Smt. Poonam Acharya (DIN: 07238992), who retires by rotation and being eligible, offers herself for re-appointment.

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

DATE : 26<sup>th</sup> May, 2018

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

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

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY BUT ONE PERSON CAN REPRESENT AS PROXY FOR NOT MORE THAN 50 MEMBERS AND FOR MEMBERS HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. Proxies, in order to be effective must be completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Proxy form and attendance slip are enclosed in the Annual Report.
3. The Register of Members of the Company shall remain closed from Tuesday, 18<sup>th</sup> September, 2018 to Tuesday, 25<sup>th</sup> September, 2018 (both days inclusive) in connection with the Annual General Meeting and for the purpose of Payment of Dividend, if declared, at the aforesaid meeting.
4. The Dividend for the year ended 31<sup>st</sup> March, 2018 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 Monday, 17<sup>th</sup> September, 2018 after giving effect to all the valid transfers as received by the Company or its Registrar & Share Transfer Agent on or before 17<sup>th</sup> September, 2018. In respect of the Shares held in electronic form, the dividend will be payable on the basis of their beneficial ownership as at the end of aforesaid date as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
5. THE MEMBERS HOLDING PHYSICAL SHARES ARE, IN THEIR OWN INTEREST, ADVISED TO SEND IMMEDIATELY REQUESTS FOR CHANGE OF ADDRESS AND BANK PARTICULARS, IF ANY, TO OUR REGISTRAR I.E. ALANKIT ASSIGNMENTS LTD., (UNIT: KOTHARI PRODUCTS LTD.) "ALANKIT HEIGHTS", 1E/13 JHANDEWALAN EXTENSION, NEW DELHI – 110 055, PHONE NOS. (011) 23541234 & 42541234



& FAX NO. (011) 41543474. HOWEVER, THE MEMBERS HOLDING DEMAT SHARES ARE ADVISED TO IMMEDIATELY INTIMATE THE CHANGE OF ADDRESS AND BANK DETAILS TO THEIR CONCERNED DEPOSITORY PARTICIPANTS.

6. Those Members who have not encashed/received their Dividend warrants for the financial years 2010-11 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. 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)).

7. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

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

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

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

The unpaid Dividend amount relating to the Financial Years, 1997-98, 1998-2000 (Interim), 1998-2000 (Final), 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-07, 2007-08, 2008-2009 & 2009-2010 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 2010-11 WILL BE TRANSFERRED TO THE INVESTOR EDUCATION & PROTECTION FUND, AS PER THE PROVISIONS OF SEC.124(5) OF THE COMPANIES ACT, 2013 IN OCTOBER, 2018. THE DIVIDEND FOR THE AFORESAID YEAR SHALL BE PAID ONLY ON RECEIPT OF REQUEST AND SATISFACTORY COMPLIANCE OF THE REQUISITE PROCEDURE

8. Members desirous of getting any information at the meeting about the accounts and operations of the company are requested to send their query at the Registered office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
9. Section 72 of the Companies Act, 2013 has extended nomination facility to individuals holding shares in Companies. Shareowners, in particular, those holding shares as sole holder are advised to avail of the above facility in their own interest, by furnishing to the Company the particulars of their nominations. The prescribed application form may be obtained by the shareowners from the Company's Secretarial Department at its Registered Office.
10. Members are requested to bring their copies of Annual Report at the meeting. Please note that no gifts will be distributed at the meeting.
11. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notices/documents including Annual Reports can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with our Registrar, Alankit Assignments Ltd., "Alankit Heights", 1E/13 Jhandewalan Extension, New Delhi – 110 055.

12. Even after registering for e-communication, the members are entitled to receive such communication/documents in physical form, upon making a request for the same, by post, free of cost.
13. In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of The Companies (Mangement and Administration) Rules, 2014, as amended, alongwith Regulation 44 of the SEBI (LODR) Regulations, 2015, the members have been provided with the facility to cast their votes electronically through the "remote e-voting" services provided by NSDL, on all the resolutions set forth in this Notice. The "remote e-voting" period commences on Saturday, 22<sup>nd</sup> September, 2018 (9:00 A.M. IST) and ends on Monday, 24<sup>th</sup> September, 2018 (5:00 P.M. IST). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on Tuesday 18<sup>th</sup> September, 2018 (being the cut-off date fixed by the Company for "remote e-voting"), may cast their votes electronically. The "remote e-voting" module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently. A Physical Ballot form is also being sent to the members alongwith the Annual Report. Members have option to vote either through "remote e-voting" or through the Physical Ballot form. If a member has opted for "remote e-voting" then he/she should not vote by Physical Ballot and also vice versa. However, in case members cast their votes both via Physical Ballot and "remote e-voting" then voting through "remote e-voting" shall prevail and voting done by physical ballot shall be treated as invalid. The instructions for "remote e-voting" and other details thereof are mentioned in the physical ballot form and "remote e-voting" form being sent to you alongwith the Annual Report and they form an integral part of this notice. The members who have cast their vote by "remote e-voting" prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only, shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through Ballot Paper.
15. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may obtain the user ID and Password by sending a request at **[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)** or **[rta@alankit.com](mailto:rta@alankit.com)** by mentioning their Folio No./DP ID and Client Id. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details / Password" option available on **[www.evoting.nsdl.com](http://www.evoting.nsdl.com)** or contact NSDL at the following toll free no. 1800-222-990.
16. The Company has appointed Sri Adesh Tandon, a Practising Company Secretary of Kanpur as Scrutinizer to receive and scrutinize the completed physical ballot forms and votes cast electronically by the members. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website **[www.kothariproducts.in](http://www.kothariproducts.in)** and on the website of NSDL **[www.evoting.nsdl.com](http://www.evoting.nsdl.com)** within 3 days of passing the resolutions at the Thirty Fourth Annual General Meeting of the Company on Tuesday, 25<sup>th</sup> September, 2018 and communicated to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited, where the shares of the Company are listed.
17. The Chairman shall, at the Annual General Meeting, at the end of discussions on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer by use of Ballot Paper for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
18. Pursuant to SEBI (LODR) Regulations, 2015, particulars of Director seeking re-appointment at this meeting are provided in the Corporate Governance Report forming part of the Annual Report.
19. The Securities & Exchange Board of India has notified that the shareholders/transferees of shares (including Joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including by transfer, transmission or any other Corporate Action. Accordingly, all the Physical shareholders/transferees of shares (including Joint holders) are requested to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including by transfer, transmission or any other Corporate Action.

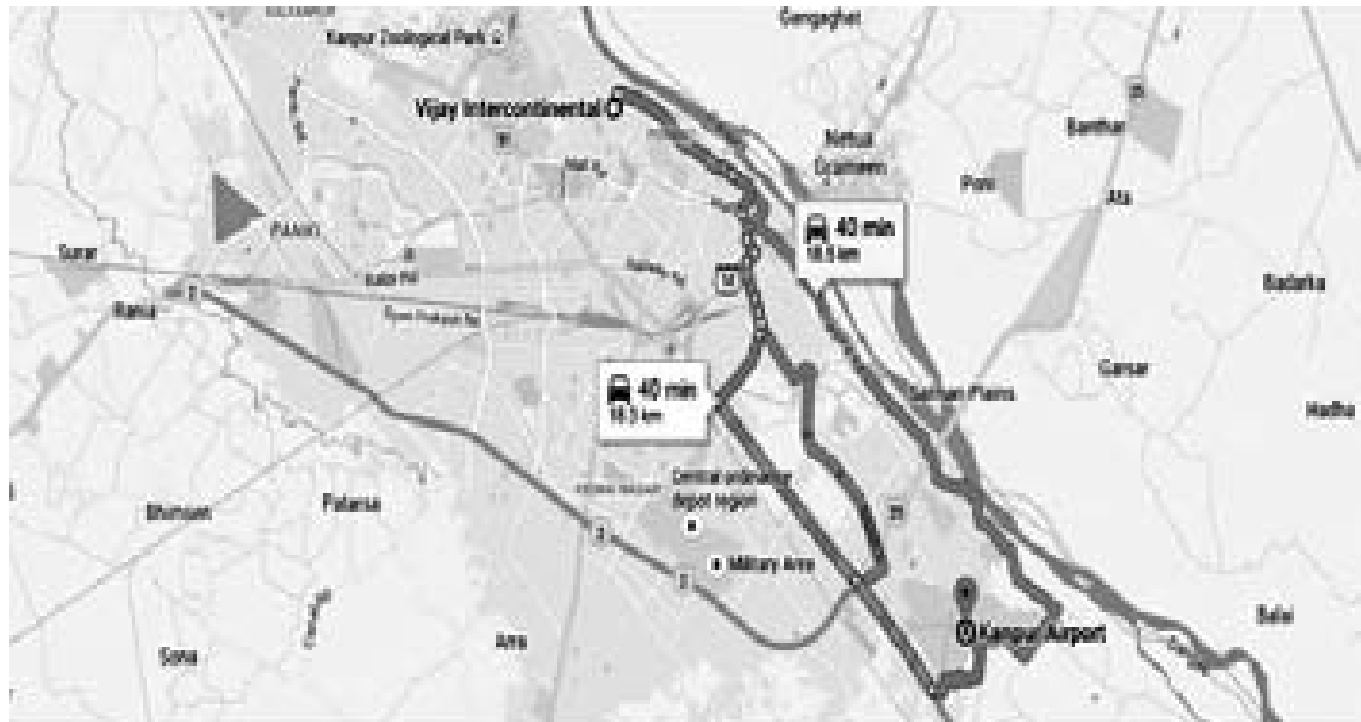


20. All documents referred to in the accompanying notice shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 A.M. TO 6:00 P.M.) on all working days upto and including the date of the Annual General Meeting of the Company.
21. Annual Report and AGM Notice is available at the website of the Company at [www.kothariproductions.in](http://www.kothariproductions.in) in the Investor's Section.
22. A Corporate member intending to send its authorised representative to attend the meeting in terms of Section 113 of the Companies Act, 2013 is requested to send the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf in the meeting.

**Route Map No. 1 To the Venue of 34<sup>th</sup> Annual General Meeting**



**Route Map No. 2 to the Venue of 34<sup>th</sup> Annual General Meeting**



## DIRECTORS' REPORT

### TO THE MEMBERS:

The Board of Directors of your Company presents herewith its 34<sup>th</sup> Annual Report and Audited Accounts for the financial year ended 31<sup>st</sup> March, 2018. The report also includes the Management discussion and Analysis Report in accordance with the guidelines of Corporate Governance.

### FINANCIAL PERFORMANCE & STATE OF COMPANY'S AFFAIRS:

	(Amount in ` Lacs)	
	FINANCIAL YEAR ENDED 31.03.2018	FINANCIAL YEAR ENDED 31.03.2017
Net Sales:	416166	419185
Other Income	8071	18844
Profit before Depreciation & Taxation	5250	9709
Less : Depreciation	200	159
Provision for Taxation:		
-Current Tax	1268	2660
-Deferred Tax	-621	492
-Tax Adjustments for earlier years	-11	-53
Profit after Tax	4414	6451
Add : Balance of Profit brought forward from previous year	44195	39466
Profit available for appropriation	48609	45917
<b>APPROPRIATIONS</b>		
Transfer to General Reserve	441	645
Prior Period items	145	0
Proposed Dividend	*448	895
Additional Tax on Proposed Dividend	*92	182
Balance of Profit carried forward	47483	44195
	48609	45917

\* These amounts have not been provided in the Balance Sheet as the proposed dividend is subject to the approval by the members in the ensuing Annual General Meeting.

### 2018 IN RETROSPECT

Your Directors are to report that the Company's sales turnover during the year under review has very marginally decreased to ` 416166 Lacs from ` 419185 Lacs during the previous financial year registering a marginal decrease of 0.72%. The Profit before depreciation & tax during the year has however substantially decreased to ` 5250 Lacs as against ` 9709 Lacs in the previous year resulting in a decrease of 45.93%. The same is primarily due to decrease in other income. The Profit after Tax has also decreased similarly to ` 4414 Lacs as against ` 6451 Lacs of the previous year resulting in a decrease of 31.58%.

### INTERNATIONAL BUSINESS:

The Company's export during the year under review has increased to ` 362009 Lacs as compared to ` 315753 Lacs during the previous year resulting in increase of 14.65%.

### DIVIDEND RECOMMENDED

Your Directors have recommended a dividend of 15% (` 1.50/- Per Equity Share of ` 10/- each) subject to the approval of shareowners in the ensuing Annual General Meeting.

## **CHANGES IN SHARE CAPITAL**

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

## **ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS, SWEAT EQUITY, ESOS ETC**

During the year the Company has not issued any shares with differential rights, sweat equity, ESOS etc.

## **CHANGE IN THE NATURE OF BUSINESS OF THE COMPANY**

During the year under review there was no change in the nature of business of the Company.

## **SUBSIDIARIES AND ASSOCIATES**

The Company has as on 31<sup>st</sup> March, 2018 Seven subsidiaries namely MK Web-Tech Pvt. Ltd., KPL Exports Pvt. Ltd. & Adyashakti Realtors Pvt. Ltd. as its Wholly Owned Subsidiary Companies and Kothari Products Singapore Pvt. Ltd., Pinehills (Singapore) Pte. Ltd. (A wholly owned subsidiary of Kothari Products Singapore Pvt. Ltd.), Blackplinth Realtors Pvt. Ltd. & Savitrimata Realtors Private Limited as its Subsidiary Companies. During the year under review M/s Adyashakti Realtors Pvt. Ltd. has become the subsidiary of the Company w.e.f. 21<sup>st</sup> March, 2018. Further, the Company also has as on 31<sup>st</sup> March, 2018, Seven Associate Companies as mentioned in the notes of the Standalone Financial Statements of the Company.

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Smt. Poonam Acharya, a Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment. There is no change in the Key Managerial Personnel during the year.

## **NUMBER OF THE BOARD MEETINGS**

The Company held Seven Board Meetings during the year 2017-18 the details of aforesaid meetings are given in the Corporate Governance Report.

## **FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits from the public during the financial year 2017-18 hence the particulars relating to the aforesaid are not applicable.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Sec.134 (3) (c) read with Sec. 134(5) of the Companies Act, 2013, your Directors confirm:

- (i) That in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts for the year under review on a going concern basis.
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.



- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### COMMITTEES OF THE BOARD

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

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

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

### ANNUAL REPORT ON CSR ACTIVITIES

As required by the Companies (Corporate Social Responsibility Policy) Rules, 2014 the annual report on CSR activities undertaken by the Company during the year under review is attached as '**Annexure-1**' to this Directors Report.

### POLICIES OF THE COMPANY

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

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

The details of the aforesaid policies are mentioned in the Corporate Governance Report and copies of the aforesaid policies are placed on the website of the Company. However as required by section 178 of the Companies Act, 2013, the Remuneration Policy developed by the Company is attached herewith as "**Annexure-2**".

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of The Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules"), all unpaid or unclaimed dividends remaining unpaid/unclaimed for a period of Seven years from the date of their transfers are required to be transferred by the Company to the IEPF established by the Government of India. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the Demat account of the IEPF authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends upto the Financial Year 2009-10 of ₹ 41,980/- to the aforesaid fund. Further, 4198 corresponding shares were transferred as per the requirements of the IEPF Rules to the aforesaid Demat Account of the IEPF Authority. The details of the aforesaid are available under the heads "Investor Section" on the website of the Company at [www.kothariproducts.in](http://www.kothariproducts.in). It may be noted that unclaimed dividend for the Financial Year 2010-11 will be transferred by the Company to the aforesaid fund and their respective Shares will be transferred to the aforesaid Demat Account of the IEPF Authority by 26th October, 2018.



## **DECLARATION BY INDEPENDENT DIRECTORS**

Sri Pramod Kumar Tandon, Sri Vikas Chaturvedi and Dr. Avinash Gupta are Independent Directors on the Board of the Company. All the above named Independent Directors have given their respective declarations under Section 149(6) of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board, the Independent Directors fulfill the conditions relating to their status as Independent Directors as specified in Section 149 of the Companies Act, 2013 and the Rules made thereunder.

## **STATUTORY AUDITOR AND AUDITORS' REPORT**

M/s Rajiv Mehrotra & Associates, Auditors of the Company have carried out the Audit of the Company and have submitted Auditor's Report attached with the Financial statements of the Company forming part of this Annual Report. The aforesaid report does not contain any qualification, reservation or adverse remarks which need explanation in the Director's report. Further, the Auditors have not reported any fraud under Section 143(12) of The Companies Act, 2013.

## **SECRETARIAL AUDIT & ITS REPORT**

As required by section 204 of The Companies Act, 2013, M/s Adesh Tandon & Associates, Practicing Company Secretary of Kanpur was appointed as the Secretarial Auditor of the Company and he has carried out the Secretarial Audit of the Company and has submitted his Report which is annexed to this report as '**Annexure-3**'. The aforesaid Report contains two observations regarding non spending of CSR expenditure and non filing of Form No. IEPF-6. The reasons for non spending of CSR expenditure are mentioned in this report's "Annexure-1" and the observation regarding Form IEPF-6 is self-explanatory.

## **LOANS, GUARANTEES OR INVESTMENTS**

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

## **STOCK EXCHANGE LISTING & COMPLIANCE**

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

## **CORPORATE GOVERNANCE REPORT**

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

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

## **BOARD EVALUATION**

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

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

## **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place, an Anti-sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention & Redressal) Act, 2013.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment, if any. All employees (Permanent, Contractual, Temporary, Trainees) are covered under this policy.

There were no complaint received from any employee during the financial year 2017-18 and hence no complaint is outstanding as on 31.03.2018 for redressal.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

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

### **a) INDUSTRY STRUCTURE AND DEVELOPMENTS**

As per World Economic Outlook released by IMF in April 2018, the global economic upswing that become around mid-2016 has become broader and stronger. The report projects that advanced economies as group will continue to expand above their potential growth rates and the growth in emerging market and developing economies is projected to firm further, with continued strong growth in emerging Asia and Europe and a modest upswing in commodity exporters. Although downside concerns are also there which include a possibly sharp tightening of financial conditions, waning popular support for global economic integration, growing trade tensions and risks of a shift toward protectionist policies, and geopolitical strains.

India has become sixth largest economy overtaking France and Indian economic growth story continues to be positive on the back of robust domestic consumption and public investment as well as ongoing structural reforms.

In view of aforesaid the domestic industry may grow but the international trade would be under pressure both in terms of value and margins, which would also be a great challenge to your Company.

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

With the reform oriented and business friendly government at the Center and India among the fastest developing economy of the world, there has been a constant growth in the GDP, but the growing trade tensions and risks of a shift toward protectionist policies and geopolitical strains do pose threats to ongoing international trade. Moreover the trading industry may face the risk of imposition of higher tariffs on import/export of certain commodities by the government of certain countries. The same may also result in price war among Key Competitors.

As the Company deals in international trade, it is exposed to foreign currency risks. As most of the payables and receivables are in foreign currency, fluctuation risk is minimized to the great extent by natural hedging. Company also has in house treasury with well-defined hedging policy through which company monitors its currency exposure on continuous basis and employs various hedging tools like forward cover, options etc.

Company does have comprehensive risk management system in place which includes internal controls which are commensurate to the size and nature of the inherent risks of company's businesses. These Risk Management system and processes enables the company in identifying and managing the risks appropriately.

### **c) SEGMENT-WISE PERFORMANCE**

In trading division company's emphasis is on consolidation and diversification instead of expansion. The revenue of the Trading division during the year under review has been ` 422178 Lacs as compared to ` 429307 Lacs during the previous year and that of the Real Estate etc., has been ` 2059 Lacs as compared to ` 8722 Lacs during the previous year. The profit before tax and interest from both the aforesaid division is at ` 6474 Lacs and ` 1198 Lacs respectively as compared to previous year figures of ` 8388 Lacs & ` 5994 Lacs respectively.

### **d) OUTLOOK:**

Though the global growth may be on upswing and both developed and emerging countries showing signs of same growth but in view of the recent tariff barriers, commodity trade wars in the international trade and the uncertainty in the exchange rate and oil prices, the outlook for the International Trade for your Company looks challenging.

Though your Company, with the initiatives taken by the Government of India, sees improvement in domestic trade and real estate business. The period of crises and uncertainty in the markets seem the to be short lived which we feel your Company will be able to tide over properly and shall also embark upon other trade prospects.

### **e) RISKS AND CONCERNS:**

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

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place adequate internal financial control systems & other internal control procedures commensurate with the size of the Company and the nature of its business for the import & export of commodities, minerals etc., purchase of assets and with regard to the sale of goods to ensure proper recording of financial & operational information and compliance of various statutory compliances.

## **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

These discussions have been enumerated under the headings “Financial Performance”, “2018 in Retrospect” & “Segment wise Performance” of this Report.

## **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT**

Human Resource is the most important element of the organization. Our Core Values are discipline, trust, integrity and work style. Core Values are established to align all the people in the organization in the direction of achieving stated goals all throughout the organization. The Company is taking sufficient steps for employee engagement and motivation. This has resulted in reduction of employee turnover. Your Company focuses on recruiting and retaining the best talent in the industry. Moreover, Company provides them proper induction, training and knowledge upgradation for the individual as well as organizational growth. The Company continues to maintain its record of cordial and harmonious industrial relations without any interruption in work. Further, as on 31<sup>st</sup> March, 2018 the Company had 60 employees on its roll.

## **RISK MANAGEMENT**

The Company has in place a Risk Management framework to identify, Evaluate & Monitor Business Risks & Challenges across the Company. The Company has developed and implemented a Risk Management Policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

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

The information required under Section 134(3)(M) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 is as under:-

### **[A] CONSERVATION OF ENERGY**

- Energy Conservation Measures taken:  
The Company has taken all measures for conservation of energy most economically.
- The steps taken by the Company for utilizing alternate source of energy:- As the Company does not have any manufacturing facility no such steps have been taken by the Company.
- The capital Investments on energy conservation equipments: - As the Company does not have any manufacturing facility no such investment has been made by the Company

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

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

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

(Amount in Lacs)

		<b>CURRENT YEAR</b>	<b>PREVIOUS YEAR</b>
<b>a)</b>	Earning in Foreign Exchange	<b>362009</b>	315753
<b>b)</b>	Expenditure in Foreign Currency	<b>394302</b>	402628

## **INDUSTRIAL RELATIONS:**

Cordial and harmonious industrial relations prevailed throughout the year.

## **PARTICULARS OF EMPLOYEES:**

The information as specified in Sec.197(12) of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is attached herewith as '**Annexure-4**' to this Report. Further, the information required under Sec.197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended form part of this Report. However as per Section 136 of The Companies Act, 2013 the Annual report and Accounts are being sent to the members excluding the statement containing the names and other details of top ten employees in terms of remuneration drawn as required u/s 197 (12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014. However the aforesaid statement is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

## **EXTRACTS OF THE ANNUAL RETURN**

As per Section 92(3) of The Companies Act, 2013, read with Rule 12 of The Companies (Management and Administration) Rules, 2014, an extract of the Annual Return of the Company in Form No. MGT-9 is attached to this report as '**Annexure-5**'.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 have been enclosed with the report in the prescribed format AOC-2 as '**Annexure-6**'.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

There are no significant, material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.

## **CASH FLOW STATEMENT**

In conformity with the Regulation 34(2)(c) of the SEBI(Listing Obligations & Disclosure Requirements) Regulations 2015, the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018 is forming part of this Annual Report.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has in place adequate Internal Financial Control Systems & other internal control procedures commensurate with the size of the Company and the nature of its business for the import & export of commodities, minerals etc., purchase of assets and with regard to the sale of goods to ensure proper recording of financial & operational information & compliance of various statutory compliances.

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

There have been no material changes and commitments which have occurred between the end of Financial Year and the date of this report which can have impact on financial position of the Company.

## **ACKNOWLEDGEMENT**

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

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

**For and on behalf of the Board**

Sd/-

Sd/-

PLACE : KANPUR

**(DEEPAK KOTHARI)**

**(MITESH KOTHARI)**

DATE : 26<sup>th</sup> May, 2018

*Chairman & Managing Director*

*Executive Director*

## ANNEXURE-1 TO DIRECTORS' REPORT

### Annual Report on CSR Activities and CSR Policy

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

The Board of Directors of the Company, after taking into account the recommendations of the CSR Committee, has approved a CSR Policy for the Company. As required under Section 135(4) of the Companies Act, 2013, this policy has been uploaded on the Company's website at <http://www.kothariproductions.in> under the Link-"Investors Section".

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

**2. Composition of the CSR Committee**

The composition of the CSR Committee is as mentioned in the Corporate Governance Report forming part of this Annual Report.

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

The average net profits of the company for last three financial years ended 31st March, 2017 is Rs. 761483809

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

The prescribed CSR expenditure for the year is Rs. 15229676 (2% of Rs. 761483809).

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

The Company could not spend any amount towards the CSR Expenditure during the year due to the reasons mentioned below in point no.6 :-

(` In Crores)

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

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

The Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. In each of the earlier years the company has made full CSR expenditure as prescribed under the Companies Act, 2013. The Company's CSR initiatives are on the focus areas approved by the Board benefitting the community & senior citizens. Taking into account the commitments made by the Company for the CSR projects/programmes which are in progress and the scale of the project proposed, the planning and designing of the project is in progress and the overall project is bound to extend



much over the financial year and because of such reasons, the Company was not able to spend any amount on the CSR activities during the year under review. The CSR activities are scalable and after the completion of overall plan and designs of the Project, moving forward the Company will endeavor to spend the full amount on CSR activities in accordance with the statutory requirements, barring unforeseen circumstances.

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

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

**For and on behalf of the Board**

Sd/-

**(DEEPAK KOTHARI)**

*Chairman & Managing Director*

Sd/-

**(MITESH KOTHARI)**

*Executive Director*

PLACE : KANPUR

DATE : 26<sup>th</sup> May, 2018



## ANNEXURE-2 TO THE DIRECTORS REPORT

### NOMINATION AND REMUNERATION POLICY OF KOTHARI PRODUCTS LIMITED

#### OBJECTIVES OF THE POLICY

- I. The Company's Remuneration Policy is aimed to attract and retain the best talents by ensuring a fair, transparent and equitable remuneration to employees and Directors, based inter alia on individual job requirements, responsibilities, commensurate qualifications of individuals, experience, the performance of the Company and the performance / contribution of the individual employee. The policy enables a framework that allows for fair rewards for the achievement of key deliverables, in line with industry and Group practice.
- II. The Company follows a compensation mix of fixed and performance linked variable pay. Individual performance pay is measured through a structured and transparent appraisal process.

#### **Managing Director (MD) / Executive Director (ED) / Whole-time Director (WTD)**

- III. When determining the remuneration for the MD / ED / WTD the Company will take into account the market sector that it operates, business performance and the practices in other comparable Companies including global companies when appropriate.
- IV. The Company pays remuneration by way of Salary, Perquisites, Gratuity and Commission to its MD / ED / WTD, within the overall ceiling limits approved by the Shareholders of the Company, subject to the provisions of the Companies Act, 2013. The Nomination and Remuneration & Compensation Committee recommends the commission payable to the MD / ED / WTD based on the profits for the financial year and as per the policy of the Company based on the performance of the Company as well as that of the MD / ED / WTD and as prescribed under the Companies Act and within overall limits approved by the shareholders. The Board of Directors approves the commission payable for the year based on the recommendations of the Nomination & Remuneration Committee.
- V. The Company also extends other perquisites as is applicable to the Senior Management Personnel of the Company and as per the Policy of the Company as may be approved by the Nomination and Remuneration Committee / Board of Directors from time to time.

#### **Non-Executive & Independent Directors**

The Company currently pays sitting fees for attending the meetings of the Board. Any change in this fee would have to be approved by the Board of Directors/Shareholders within the limits and provisions of the Companies Act, 2013.

The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings as and when applicable.

#### **Key Managerial Personnel (KMP) & Senior Management Personnel (SMP)**

KMP as defined in the Companies Act, includes the Chief Financial Officer and the Company Secretary. The Senior Management Personnel are all those Executives who directly report to the MD / ED / WTD i.e. one level below the Board of Directors.

The Compensation package to the KMPs and the SMPs will comprise:

- Salary and applicable allowances. The annual salary revision for members of the KMPs and SMPs will be subject to approval by the Nomination and Remuneration Committee.
- A performance linked variable pay, based on the performance of the Company and the concerned individual, within the Intellect Group's overall Policy on variable pay.
- Applicable Perquisites based on HR policies.
- Provident Fund, Gratuity and other retirement benefits in accordance with the relevant statutes.
- Any other perquisite in accordance with the Policy of the Company and as approved by the Nomination & Remuneration Committee / Board of Directors, from time to time.

**For and on behalf of the Board**

Sd/-

**(DEEPAK KOTHARI)**

*Chairman & Managing Director*

Sd/-

**(MITESH KOTHARI)**

*Executive Director*

PLACE : KANPUR

DATE : 26<sup>th</sup> May, 2018



## ANNEXURE-3

### SECRETARIAL AUDIT REPORT

#### (FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018)

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

To

The Members

Kothari Products Limited

Pan Parag House, 24/19,

The Mall, Kanpur-208001 (UP)

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the year)**;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client **(Not applicable to the Company during the Audit Period)**;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**; and
  - (i) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

- (i) The Secretarial Standards as issued by the Institute of Company Secretaries of India; and
- (ii) The Listing Agreement as entered into by the company with the Stock Exchanges.

During the Audit Period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (i) the Company has not spent any amount against the obligation to spent the amount of Rs. 1.53 crore during the year towards Corporate Social Responsibility and
- (ii) the Company has deposited Unpaid Amount of Dividend for the F.Y. 2009-10 with IEPF Authority and has filed form IEPF-1 (Statement of amounts credited to IEPF). However it could not file e-form IEPF-6 (statement of Unpaid/Unclaimed Dividend to be transferred to IEPF) due to some technical error, as informed by the company.

**We further report that:-**

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

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

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

**We further report that:-**

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

**We further report that** during the audit period there were:

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

**For Adesh Tandon & Associates**  
Company Secretaries

Date: 26.05.2018

Place: Kanpur

**AdeshTandon**  
(Proprietor)  
FCS No. 2253  
C.P. No. 1121

#### ANNEXURE-4 TO DIRECTORS' REPORT

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

- The percentage increase in remuneration of each Director and KMP during the financial year 2017-18, Ratio of remuneration of each Director to Median Remuneration of Employees of the Company for the Financial Year 2017-18 are as under:

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial year 2017-18 (₹)	% Increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director to Median Remuneration of Employees
1.	Sri Deepak Kothari, Chairman & Managing Director	14993256	(64.98)%	33:1
2.	Sri Mitesh Kothari, Executive Director	21578368	(54.07)%	47:1
3.	Sri Pramod Kumar Tandon, Independent Director	15,000	25%	0.03:1
4.	Sri Vikas Chaturvedi, Independent Director	15,000	25%	0.03:1
5.	Dr. Avinash Gupta, Independent Director	Nil	(100)%	0.00:1
6.	Smt. Poonam Acharya, Director	Nil	(100)%	0.00:1
7.	Sri Raj Kumar Gupta, CS & Compliance Officer	955380	9.92%	2:1
8.	Sri Anurag Tandon, C.F.O.	4334400	38.11%	9.5:1

- The median remuneration of employees of the company during the financial year was ₹ 4,55,793.
- The percentage increase in the median remuneration of employees in the financial year:-  
In the financial year, there was an increase of 22.8 % in the median remuneration of employees.
- The number of permanent employees on the rolls of Company:-  
There were 60 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2018.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-  
Average percentage increase in the salaries of employees other than the Managerial Personnel in the last financial year i.e. 2016-17 was 22.8 % whereas there was decrease in the Managerial Personnel remuneration of 59.27% during the last financial year. The aforesaid decrease in the Managerial Remuneration is due to decrease in the Commission on the net profits of the Company.
- Commission, which is part of Remuneration of Sri Deepak Kothari, Chairman & Managing Director and Sri Mitesh Kothari, Executive Director, is based on the Net Profits of the Company.
- Affirmation that the remuneration is as per the remuneration policy of the Company  
It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

**For and on behalf of the Board**

Sd/-

**(DEEPAK KOTHARI)**

*Chairman & Managing Director*

Sd/-

**(MITESH KOTHARI)**

*Executive Director*

PLACE : KANPUR

DATE : 26<sup>th</sup> May, 2018

## ANNEXURE-5 TO DIRECTORS' REPORT

### FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2018

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

#### I REGISTRATION & OTHER DETAILS:

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

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Wholesale Trading of Machine & Spares	4651	58.45%
2	Wholesale Trading of Coal	4661	17.63%
3	Wholesale Trading of Oil	4661	10.54%

#### III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

SI No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
3	Kothari Products Singapore Pte. Limited 101 Cecil Street # 11-01, Tong Eng Building, Singapore - 069 533	200809977K	SUBSIDIARY	99.9998%	2(87)
4	Savitrimata Realtors Pvt. Ltd. 7 Chittaranjan Avenue, PS Bowbazar, Kolkata, 700072	U45400WB2006PTC108572	SUBSIDIARY	51%	2(87)
5	Blackplinth Realtors Pvt. Ltd. C/62, Vibgyor Tower, 9 <sup>th</sup> Floor, Bandra Kurla Complex, Bandra East, Mumbai- 400 051	U45400MH2011PTC219443	SUBSIDIARY	54%	2(87)
6	Pinehills (Singapore) Pte Ltd., Singapore, 101 Cecil Street # 11-01, Tong Eng Building, Singapore - 069 533	201132797G	a wholly owned subsidiary of Kothari Products Singapore Pte Limited, a subsidiary of the Company	99.9998%	2(87)
7	Adyashakti Realtors Pvt. Ltd. 7, Chittaranjan Avenue, 3 <sup>rd</sup> Floor, Kolkata- 700072	U70101WB2007PTC118961	SUBSIDIARY	100%	2(87)
8	Hara Parvati Realtors Pvt. Ltd. 7 Chittaranjan Avenue, PS Bowbazar, Kolkata, 700072	U70101WB2006PTC108570	ASSOCIATE	50%	2(6)
9	Real Griha Nirman Private Ltd. 7 Chittaranjan Avenue, Kolkata - 700072	U45201WB2004PTC100346	ASSOCIATE	50%	2(6)
10	Shubhadra Realtors Private Ltd. 7 Chittaranjan Avenue, Kolkata - 700072	U70109WB2006PTC111280	ASSOCIATE	50%	2(6)
11	Sankhya Realtors Private Ltd. 7, Chittaranjan Avenue, 3 <sup>rd</sup> Floor, Kolkata - 700072	U45200WB2006PTC111454	ASSOCIATE	45%	2(6)
12	SPPL Hotels Private Ltd. 7 Chittaranjan Avenue, 3 <sup>rd</sup> Floor, Kolkata- 700072	U55101WB2005PTC106405	ASSOCIATE	50%	2(6)
13	Sattva Realtors Pvt Ltd Salarpuria Windsor, 4 <sup>th</sup> Floor, No.3, Ulsoor Main Road, Ulsoor, Bangalore - 560001	U70102KA2007PTC044240	ASSOCIATE	25%	2(6)
14	Neelanchal Con – Tech Pvt. Ltd. Salarpuria Windsor, 4 <sup>th</sup> Floor, No.3, Ulsoor Main Road, Ulsoor, Bangalore - 560001	U45205KA2011PTC058638	ASSOCIATE	50%	2(6)

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

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>(1)</b>	<b>Indian</b>									
	a) Individual/HUF	19077907	4500	19082407	63.94	19082407	0	19082407	63.94	0
	b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
	c) Bodies Corporates	3299998	0	3299998	11.06	3299998	0	3299998	11.06	
	d) Bank/FI	0	0	0	0	0	0	0	0	0
	e) Any other	0	0	0	0	0	0	0	0	0
	<b>SUB TOTAL:(A) (1)</b>	22377905	4500	22382405	75	22382405	0	22382405	75	0
<b>(2)</b>	<b>Foreign</b>									
	a) NRI- Individuals	0	0	0	0	0	0	0	0	0
	b) Other Individuals	0	0	0	0	0	0	0	0	0
	c) Bodies Corp.	0	0	0	0	0	0	0	0	0
	d) Banks/FI	0	0	0	0	0	0	0	0	0
	e) Any other...	0	0	0	0	0	0	0	0	0
	<b>SUB TOTAL (A) (2)</b>	0	0	0	0	0	0	0	0	0
	<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	22377905	4500	22382405	75	22382405	0	22382405	75	0
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>(1)</b>	<b>Institutions</b>									
	a) Mutual Funds	0	0	0	0	0	0	0	0	0
	b) Banks/FI	15902	0	15902	0.05	4768	0	4768	0.02	-70
	c) Central Govt./State Govt./ President of India	0	0	0	0	4198	0	4198	0.01	100
	d) Venture Capital Fund	0	0	0	0	0	0	0	0	0
	e) Insurance Companies	0	0	0	0	0	0	0	0	0
	f) FIIS	0	0	0	0	0	0	0	0	0
	g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	h) Others (specify)									
	Foreign Portfolio Investor	0	0	0	0	44384	0	44384	0.15	100
	<b>SUB TOTAL (B)(1):</b>	15902	0	15902	0.05	53350	0	53350	0.18	235.49

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	4442815	2250	4445065	14.89	4410023	2150	4412173	14.78	-0.73
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ` 1 lakhs	2200262	182991	2383253	7.99	2100477	174241	2274718	7.62	-4.55
ii) Individuals shareholders holding nominal share capital in excess of ` 1 lakhs	418957	129150	548107	1.84	416745	129150	545895	1.83	-0.4
c) Others (specify)									
TRUST	2308	0	2308	0.01	1500	0	1500	0.01	-35
NBFC	200	0	200	0	1220	0	1220	0	510
CLEARING MEMBERS	0	0	0	0	9094	0	9094	0.03	100
RESIDENT-HUF	0	0	0	0	104268	0	104268	0.35	100
NRI	66625	0	66625	0.22	59242	0	59242	0.2	-11.08
<b>SUB TOTAL (B)(2):</b>	7131167	314391	7445558	24.95	7102569	305541	7408110	24.82	-0.5
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	7147069	314391	7461460	25	7155919	305541	7461460	25	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	29524974	318891	29843865	100	29538324	305541	29843865	100	0

## (ii) SHAREHOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Avinash Gupta	2250	0.008	0	2250	0.008	0	
2	Deepak Kothari jointly with Arti Kothari	16576596	55.544	0	0	0	0	-100
3	Deepak Kothari	0	0.000	0	16576596	55.544	0	100
4	Mitesh Kothari	609570	2.043	0	609570	2.043		0
5	Mitesh Kothari (HUF)	1828098	6.126	0	1828098	6.126	0	0



SI No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
6	Reeta Dilip Shah	6750	0.023	0	0	0.000	0	-100
7	Dilip Jayanti Lal Shah	0	0.000	0	6750	0.023	0	100
8	Sadhna V Kothari	4500	0.015	0	4500	0.015	0	0
9	Urvi Kothari	54643	0.183	0	54643	0.183	0	0
10	Dham Securities Pvt. Ltd.	3299998	11.058	0	3299998	11.058	0	0
	TOTAL	22382405	75.000	0	22382405	75.000	0	0

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		Date wise Increase/ Decrease (Remarks if any)
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
1	Dr. Avinash Gupta	2250	0.008	2250	0.008	No Change
2	Sri Deepak Kothari Jointly with Smt. Arti Kothari	16576596	55.544	0	0	Smt. Arti Kothari wife of Sri Deepak Kothari relinquished her rights in 16576596 shares in favour of Sri Deepak Kothari on 13 <sup>th</sup> December, 2017
3	Sri Deepak Kothari	0	0	16576596	55.44	Sri Deepak Kothari became the sole owner of 16576596 Shares which were earlier held jointly with Smt. Arti Kothari his wife who relinquished her right in respect of the aforesaid shares on 13 <sup>th</sup> December, 2017.
4	Sri Mitesh kothari	609570	2.043	609570	2.043	No Change
5	Mitesh Kothari (HUF)	1828098	6.126	1828098	6.126	No Change

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the end of the year		Date wise Increase/ Decrease (Remarks if any)
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	
6	Reeta Dilip Shah	6750	0.023	0	0	The entire shareholding of Reeta Dilip Shah was transmitted to her husband Dilip Jayantilal Shah due to the death of Reeta Dilip Shah
7	Dilip Jayantilal Shah	0	0	6750	0.023	Sri Dilip Jayantilal Shah became the Shareholder in respect of the 6750 Shares by way of transmission of Shares on 12.06.2017
8	Sadhna V Kothari	4500	0.015	4500	0.015	No Change
9	Urvi Kothari	54643	0.183	54643	0.183	No Change
10	Dham Securities Pvt. Ltd.	3299998	11.058	3299998	11.058	No Change
	TOTAL	22382405	75	22382405	75	No Change

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

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

**(v) SHAREHOLDING OF DIRECTORS & KMP**

Sl. No.	Name of Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sri Deepak Kothari Jt. With Arti Kothari	16576596	55.54	0	0
2	Sri Deepak Kothari	0	0	16576596	55.54
3	Sri Mitesh Kothari	609570	2.04	609570	2.04
4	Dr. Avinash Gupta	2250	0.01	2250	0.01
5	Sri Pramod Kumar Tandon	Nil	Nil	Nil	Nil
6	Smt. Poonam Acharya	Nil	Nil	Nil	Nil
7	Sri Vikas Chaturvedi	Nil	Nil	Nil	Nil
8	Sri Raj Kumar Gupta	Nil	Nil	Nil	Nil
9	Sri Anurag Tandon	Nil	Nil	Nil	Nil

**V INDEBTEDNESS**

(Amount in `)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>	1,102,755,613.43	-	8,681,923.08	1,111,437,536.51
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	1,102,755,613.43	-	8,681,923.08	1,111,437,536.51
<b>Change in Indebtedness during the financial year</b>				
Additions	662,651,402.32	1526674141	7,514,426.58	2,196,839,969.90
Reduction	-	-	-	-
Net Change	662,651,402.32	1526674141	7,514,426.58	2,196,839,969.90
<b>Indebtedness at the end of the financial year</b>	1,765,407,015.75	1526674141	16,196,349.66	3,308,277,506.41
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	1,765,407,015.75	1526674141	16,196,349.66	3,308,277,506.41

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in `)

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount (in `)
		Deepak Kothari	Mitesh Kothari	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	2400000	1800000	4200000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	2378035	9591994	11970029
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock option	0	0	0
3	Sweat Equity	0	0	0
4	Commission as 2% of profit	10099836	10099836	20199672
5	Others, please specify	0	0	0
	Gratuity	115385	86538	201923
	<b>Total (A)</b>	14993256	21578368	36571624
	<b>Ceiling as per the Act</b>	` 52954122 (Being 10% of the net profits of the Company calculated as per Sec. 198 of the Companies Act, 2013)		

### B. Remuneration to other directors:

(Amount in `)

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
		Pramod Kumar Tandon	Dr. Avinash Gupta	Vikas Chaturvedi	
1	Independent Directors				
	(a) Fee for attending Board Meetings	15,000	0	15,000	30000
	(b) Commission	0	0	0	0
	(c) Others, please specify	0	0	0	0
	<b>Total (1)</b>	15000	0	15000	30000
2	Other Non Executive Directors	<b>Poonam Acharya</b>			
	(a) Fee for attending	0			0
	(b) Commission	0	0	0	0
	(c) Others, please specify.	0	0	0	0
	<b>Total (2)</b>	0	0	0	0
	<b>Total (B)=(1+2)</b>	15000	0	15000	30000
	<b>Ceiling as per the Act</b>	` 5295412 (Being 1% of the net profits of the Company calculated as per sec. 198 of the Companies Act, 2013).			
	<b>Total Managerial Remuneration</b>				36601624
	<b>Overall Ceiling as per the Act.</b>	` 58249534 (Being 11% of the net profits of the Company calculated as per sec. 198 of the Companies Act, 2013).			

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

(Amount in `)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS & Compliance Officer	CFO	
		Raj Kumar Gupta	Anurag Tandon	
1	<b>Gross Salary</b>			<b>Total</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	948180	4334400	5282580
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	7200	0	7200
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission as % of Profit	0	0	0
5	Others, please specify	0	0	0
	<b>Total</b>	<b>955380</b>	<b>4334400</b>	<b>5289780</b>

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

THERE WERE NO PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES FOR THE YEAR ENDING 31ST MARCH, 2018.

**For and on behalf of the Board**

Sd/-

**(DEEPAK KOTHARI)**

*Chairman & Managing Director*

Sd/-

**(MITESH KOTHARI)**

*Executive Director*

PLACE : KANPUR

DATE : 26<sup>th</sup> May, 2018

## ANNEXURE-6 TO DIRECTORS' REPORT

### Form No. AOC-2

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

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

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

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

**For and on behalf of the Board**

PLACE : KANPUR

DATE : 26<sup>th</sup> May, 2018

Sd/-

**(DEEPAK KOTHARI)**

*Chairman & Managing Director*

Sd/-

**(MITESH KOTHARI)**

*Executive Director*

## COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

### BOARD OF DIRECTORS

#### COMPOSITION

The Board of Directors of the Company comprises of two Executive & Non-Independent Directors, One Non-Executive Director and three Non-Executive & Independent Directors as on 31<sup>st</sup> March 2018, in line with the stipulations laid down by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Non-Executive Directors are drawn from amongst persons with varied experience in Business & Industry. The Board presently has an Executive Chairman & Managing Director, an Executive Director and four Non-Executive Directors. Its composition as on 31<sup>st</sup> March, 2018 was as under:-

Names of the Directors	No. of Outside Directorships*	No. of Membership, Chairmanship in Other Board Committees#	Executive/ Non Executive/ Independent/ Promoter	Designation
Sri Deepak Kothari	4	2	Executive & Non-Independent (Promoter)	Chairman & Managing Director
Sri Mitesh Kothari	7	NIL	---do---	Executive Director
Dr. Avinash Gupta	2	NIL	Independent & Non-Executive Director	Director
Sri Pramod Kumar Tandon	5	1	----do---	Director
Sri Vikas Chaturvedi	NIL	NIL	----do---	Director
Smt. Poonam Acharya	NIL	NIL	Non-Executive Director	Director

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

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

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

Name	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance At Last A.G.M.
Sri Deepak Kothari	7	7	PRESENT
Sri Mitesh Kothari	7	2	-
Dr. Avinash Gupta	7	2	-
Sri Pramod Kumar Tandon	7	5	PRESENT
Sri Vikas Chaturvedi	7	5	PRESENT
Smt. Poonam Acharya	7	2	PRESENT



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

During the financial year 2017-18 Seven (7) Board Meetings were held. The dates on which the said Meetings were held are given below:

23<sup>rd</sup> May, 2017, 22<sup>nd</sup> July, 2017, 9<sup>th</sup> August, 2017, 13<sup>th</sup> November, 2017, 15<sup>th</sup> December, 2017, 14<sup>th</sup> February, 2018 and 21<sup>st</sup> March, 2018.

## SEPARATE MEETING OF INDEPENDENT DIRECTORS:-

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 1<sup>st</sup> June, 2017 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations. At the Meeting, the Independent Directors:-

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of the Managing Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors of the Company attended the Meeting of Independent Directors. Sri Pramod Kumar Tandon Chaired the Meeting.

## RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

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

## AUDIT COMMITTEE

The composition of the Audit Committee of the Company as on 31<sup>st</sup> March, 2018 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	5	5
2.	Dr. Avinash Gupta	Vice Chairman	Independent & Non-Executive	5	0
3.	Sri Deepak Kothari	Member	Executive & Non Independent	5	4
4.	Sri Vikas Chaturvedi	Member	Independent & Non-Executive	5	5

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

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

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

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

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

### **NOMINATION & REMUNERATION COMMITTEE**

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

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

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

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

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

### **PERFORMANCE EVALUATION CRITERIA:**

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

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

- The Board is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
- The Board pays considerable attention to the quality of financial reporting process and internal financial controls and effectively oversees them.
- The Board regularly follows up on its decisions to ensure that action is taken on all its decisions.
- The Board gives effective advice and assistance for achieving the Company's mission and vision.

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

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

(Amount in `)

Name of Director	Sri Deepak Kothari	Sri Mitesh Kothari	Dr. Avinash Gupta	Sri Pramod Kumar Tandon	Sri Vikas Chaturvedi	Smt. Poonam Acharya
<b>Salary</b>	2400000	1800000	-	-	-	-
<b>Gratuity</b>	115385	86538	-	-	-	-
<b>Perquisites</b>	2378035	9591994	-	-	-	-
<b>Commission</b>	10099836	10099836	-	-	-	-
<b>Sitting Fees</b>	-	-	3000	15,000	15,000	3000

#### STAKE HOLDERS RELATIONSHIP COMMITTEE

The Company has constituted stakeholders relationship committee pursuant to the provisions of sec.178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to take care of matters relating to redressal of shareowners'/investors' complaints, to recommend measures to improve the level of investors' services and simultaneously to expedite the process of Share Transfers. The Committee also approves requests for Share Transfers/Issue of Duplicate Share Certificates/Issue of new certificates on split, consolidation, renewal, requests for transmission of shares etc., requests for non-receipt of annual report and non-receipt of declared dividends etc., Accordingly the Constitution of the Committee as on 31<sup>st</sup> March, 2018 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	9
No. of Letters/Complaints not replied/solved to the Satisfaction of the shareowners	All the Letters/Complaints received by the Company have been replied/solved to the satisfaction of the complainants.
No. of pending Complaints	None of the Complaints is pending as at 31 <sup>st</sup> March, 2018.

## SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to the provisions of sec.135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility Committee on 3<sup>rd</sup> April, 2014. This committee has been entrusted with the responsibility of formulating/reviewing from time to time the Corporate Social Responsibility Policy broadly indicating the activities to be undertaken by the Company that are mandatory in the implementation of the framework of Corporate Social Responsibility Policy and recommend the money to be spent on each of the activities as prescribed under the Act and the rules made thereunder. The Composition of this Committee as on 31<sup>st</sup> March, 2018 is as under:-

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

## RISK MANAGEMENT COMMITTEE

The Company has constituted on 18<sup>th</sup> September, 2014, Risk Management Committee pursuant to the erstwhile revised clause 49 of the Listing Agreement and pursuant to the Risk Management Policy of the Company to perform the functions specified in the aforesaid clause 49 which inter-alia include mainly to manage and minimize the risk which are inherent in the business of the Company. The Composition of the committee as on 31<sup>st</sup> March, 2018 is as under:-

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

## WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Pursuant to Section 177 of The Companies Act, 2013, the Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the Company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the Whistle blower to report any unethical or improper practice (not necessary violation of law) and to define processes for receiving and investigating complaints. The Company has appointed Sri Anurag Tandon, Chief Financial Officer as its Vigilance Officer and his address is Kothari Products Limited, C/62, Vibgyor Tower, 9<sup>th</sup> Floor, Bandra Kurla Complex, Bandra East, Mumbai, E-mail Id:- [anuragtandonca@gmail.com](mailto:anuragtandonca@gmail.com). The company has assigned the email ID-[anuragtandonca@gmail.com](mailto:anuragtandonca@gmail.com) or [deepakkothari@panparag.com](mailto:deepakkothari@panparag.com) or [citizenforum.tandon6@gmail.com](mailto:citizenforum.tandon6@gmail.com) on which anyone can report or send written complaint to the Vigilance Officer, Chairman & Managing Director and the Chairman of the Audit Committee. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.

## CODE FOR PREVENTION OF INSIDER TRADING

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations 2015, the Company has adopted a Code for prevention of Insider Trading. The objective of the Code is to restrict an insider from dealing in the shares of the Company either directly or indirectly when in possession of unpublished price sensitive information (UPSI) and also to restrict communication of such UPSI. The Code is applicable to the Directors and Designated Employees/Persons associated with the Company. The Code enumerates the procedure to be followed for dealing in the shares of the

Company and periodic disclosures to be made. It also restricts the insiders from dealing in the Company's shares during the period when the "Trading Window" is announced closed. The Company Secretary has been designated as the Compliance Officer. As required by Regulation 8 of the aforesaid regulations, Company has formulated the Code of Practices and Procedures for fair disclosure of unpublished price sensitive information. The aforesaid code has been posted by the Company on its website under the link "Investors Section".

### SUBSIDIARY COMPANIES

The Company has Five non-listed Indian Subsidiaries and Two non-listed Foreign Subsidiaries. In terms of Regulation 16(C) of The SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015, none of these Subsidiaries is a "material subsidiary", whose income or networth exceeds 20% of the Consolidated income or networth respectively, of the Listed Holding Company and its Subsidiaries, in the immediately preceding Accounting Year.

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

The Company has prepared a Policy for determining a Material Subsidiary Company. The aforesaid policy can be viewed on the website of the Company i.e. <http://www.kothariproducts.in> under the link "Investors Section".

### GENERAL BODY MEETINGS

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

Meeting	Date	Time	Venue
33 <sup>rd</sup> AGM	22 <sup>nd</sup> September, 2017	11:30 A.M.	HOTEL VIJAY INTERCONTINENTAL, 10/510, KHALASI LINE, TILAK NAGAR, NEAR RAVE-3, KANPUR
32 <sup>nd</sup> AGM	23 <sup>rd</sup> September, 2016	11:30 A.M.	HOTEL VIJAY INTERCONTINENTAL, 10/510, KHALASI LINE, TILAK NAGAR, NEAR RAVE-3, KANPUR
31 <sup>st</sup> AGM	24 <sup>th</sup> September, 2015	11:30 A.M.	HOTEL VIJAY INTERCONTINENTAL, 10/510, KHALASI LINE, TILAK NAGAR, NEAR RAVE-3, KANPUR

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

Annual General Meeting	No. of Special Resolutions
33 <sup>rd</sup>	NIL
32 <sup>nd</sup>	4
31 <sup>st</sup>	NIL

At 33<sup>rd</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2017, No Special resolution was passed.

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

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

#### DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

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

None of the items transacted at the last Annual General Meeting held on 22<sup>nd</sup> September, 2017 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 2017-18, the company had no materially significant related party transactions that may have potential conflict with the interests of the company at large.
- The Company has formulated a policy on Materiality of Related Party Transaction & Policy for determining material subsidiaries, the said policies are available on the website of the Company i.e. <http://www.kothariproducs.in> under the link "Investor's Section".
- There has neither been any non-compliances nor penalties, strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- The Company has framed Whistle Blower Policy and the details of the same are available on the Company's website, and no person has been denied access to the Audit Committee.
- No accounting treatment has been done which is different from the prescribed Indian Accounting Standards.
- To promote ethical conduct and maintain high standards in carrying out business transactions of the Company, a Code of Conduct has been laid down for procedures to be followed by the Board Members and the Senior Management Employees. This Code is also posted on the Company's website under the link "Investor's Section".
- The Company has framed familiarization programmes and the same are imparted to Independent Directors. The aforesaid programmes are placed on website of the Company i.e. <http://www.kothariproducs.in> under the link "Investor's Section".
- The Company has inherent risks in its business activities and to manage these risks the Company has formulated a Risk Management Policy which is posted on the Company's website under the link "Investor's Section".
- The Company has complied with all mandatory requirements specified in Regulations 17 to 27 and Regulation 46 of the SEBI (LODR) Regulations, 2015, as far as applicable to the Company.
- The Company has complied with all the requirements of the Corporate Governance Report of Sub-Paras (2) to (10) of Para C to Schedule V of the SEBI (LODR) Regulations, 2015.

## PECUNIARY RELATIONSHIP AND TRANSACTIONS OF NON-EXECUTIVE DIRECTORS WITH THE COMPANY

The Company only pays sitting fees to Non-Executive Directors as stated above and they do not have any other pecuniary relationship with the Company.

## MEANS OF COMMUNICATION

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

## RECONCILIATION OF SHARE CAPITAL AUDIT

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

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

- The Company has complied with all mandatory requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as on 31<sup>st</sup> March, 2018.
- Adoption of non-mandatory requirements as at 31<sup>st</sup> March, 2018:-

### a). Board of Directors

The Company has an Executive Chairman and he occupies an office with all the necessary infrastructure and assistance made available to enable him discharge his responsibilities effectively.

### b) Shareholders Rights

As the Quarterly and Half Yearly Financial Results are published in the newspapers as well as displayed on the Company's Website, hence the results are not sent to household of each of the shareholders. The complete Annual report is sent to each and every shareholder of the Company.

### c) Audit Qualifications

The Auditors have issued an unqualified opinion for the year ended 31<sup>st</sup> March, 2018.

### d) Reporting of Internal Auditor

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

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

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

<b>Name of Director</b>	Poonam Acharya
<b>Date of Birth</b>	23/07/1968
<b>Date of Appointment</b>	24/07/2015
<b>Qualification</b>	M.Com, B.Ed.
<b>Expertise in Specific Functional Areas</b>	She has rich teaching experience and general business experience.
<b>Directorships Held in other Companies*</b>	NIL
<b>Committee Positions Held in other Company #</b>	NIL

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

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

## GENERAL SHAREOWNER INFORMATION

### ANNUAL GENERAL MEETING

- DATE** : 25<sup>th</sup> September, 2018.
- TIME** : 11:30 A.M.
- VENUE** : Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave-3, Kanpur

### FINANCIAL CALENDER

(1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019)



Results for the first quarter ending 30.06.2018	On or before 14 <sup>th</sup> August, 2018
Results for the second quarter & half-year ending 30.09.2018	On or before 14 <sup>th</sup> November, 2018
Results for the third quarter ending 31.12.2018	On or before 14 <sup>th</sup> February, 2019
Results for the fourth quarter & year ending 31.03.2019	On or before 30 <sup>th</sup> May, 2019

- Dates of Book Closure : 18<sup>th</sup> September, 2018 to 25<sup>th</sup> September, 2018 (both days inclusive)
- Dividend Payment Date: within 30 days of the Annual General Meeting.
- Listing on Stock Exchanges and Stock Code:

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

The Company had paid Annual Listing Fees for the Financial year 2017-18 to both the aforesaid Stock Exchanges

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

MONTH	HIGH (Amount in `)	LOW (Amount in `)
April 2017	210	194.65
May 2017	232	193.25
June 2017	205	184
July 2017	198.75	187.95
August 2017	204.6	164
September 2017	209	177
October 2017	219.85	177.25
November 2017	208	188.5
December 2017	248	190
January 2018	237.75	199.9
February 2018	217	161.1
March 2018	165.6	142

#### **PERFORMANCE IN COMPARISON TO BSE SENSEX**

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

#### **REGISTRAR AND TRANSFER AGENT**

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

Alankit Assignments Ltd.

(Unit: Kothari Products Ltd.)

“Alankit Heights”

1E/13 Jhandewalan Extension

New Delhi – 110 055

Telephone No. (011) 23541234 & 42541234

Fax Nos. (011) 41543474

E-mail : rta@alankit.com

Website : www.alankit.com

## SHARE TRANSFER SYSTEM:

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

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

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

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

## • DISTRIBUTION OF SHAREHOLDING

The Shareholding distribution of equity shares as on 31<sup>st</sup> March, 2018 is given below:

No. of Equity shares held	No. of Shareowners		No. of Shares held in		% of Equity Capital held in		Total Shareholding
	No. of Shareowners	% of Shareowners	Physical form	Demat Form	Physical Form	Demat form	Physical & Demat
1 – 500	7570	88.414	110391	935459	0.37	3.135	1045850
501 - 1000	496	5.793	14500	374124	0.049	1.254	388624
1001 - 5000	414	4.835	29900	871221	0.100	2.919	901121
5001 - 10000	42	0.491	21600	263925	0.072	0.884	285525
10001 - 20000	17	0.199	0	216448	0	0.725	216448
20001 - 30000	2	0.023	0	45582	0	0.153	45582
30001 - 40000	2	0.023	0	73751	0	0.247	73751
40001 - 50000	1	0.012	0	44384	0	0.149	44384
50001 - 100000	7	0.082	0	455669	0	1.527	455669
100001 - 500000	5	0.058	129150	1644267	0.433	5.509	1773417
500001 - Above	6	0.07	0	24613494	0	82.474	24613494
Total	8562	100	305541	29538324	1.024	98.976	29843865

## DEMATERIALISATION OF SHARES AND LIQUIDITY

Nearly 98.976% of total Equity Share Capital is held in dematerialised form with NSDL and CDSL as on 31<sup>st</sup> March, 2018. ISIN No. is INE823A01017 of NSDL & CDSL. The Company's shares are regularly traded at Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd., Mumbai.

## SHAREHOLDING PATTERN OF THE COMPANY AS ON 31<sup>ST</sup> MARCH, 2018:

Category	No. of Shares Held	% of Holding
Promoters & Promoter Group	22382405	75
Indian Public – Individuals	2820613	9.45
Indian Public - Corporate Bodies	4412173	14.78
Indian Public – Financial Institutions/ Banks	4768	0.02



Category	No. of Shares Held	% of Holding
Resident HUF	104268	0.35
Central Government/ State Government/POI	4198	0.01
Clearing Member	9094	0.03
NBFC Registered With RBI	1220	0.00
Foreign Holding:-		
(i) NRI(s)	59242	0.20
(ii) Trust	1500	0.01
(iii) Foreign Portfolio Investor	44384	0.15
Total	29843865	100.00

## PLANT LOCATIONS

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

## • ADDRESS FOR CORRESPONDENCE

- Shareowners having any queries regarding Dividend Warrants & Annual Reports should send their correspondence to :  
The Share Department  
KOTHARI PRODUCTS LTD.  
"PAN PARAG HOUSE"  
24/19, The Mall  
KANPUR - 208 001  
(U.P.)  
PHONE NOS.- 0512-2312171-74  
FAX NO. -0512-2312058  
Email - rkgupta@kothariproductions.in
- Physical Shareowners should send their requests for Share Transfers, Change of Address/Bank Details etc., if any, to our following Registrar & Share Transfer Agent :-  
Alankit Assignments Ltd.  
(Unit: Kothari Products Ltd.)  
"Alankit Heights"  
1E/13 Jhandewalan Extension  
New Delhi – 110 055  
Telephone Nos. (011) 23541234 & 42541234  
Fax No. (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 ("the Company"), for the year ended on 31<sup>st</sup> March, 2018 as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations.

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

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

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

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

For RAJIV MEHROTRA & ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(ANJANI KHETERPAL)  
PARTNER

PLACE : KANPUR  
DATE : 26<sup>th</sup> May, 2018

## 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 31<sup>st</sup> March, 2018, compliance with the code of conduct of the Company laid down for them.

Sd/-  
(Deepak Kothari)  
Chairman & Managing Director

PLACE : KANPUR  
DATE : 26<sup>th</sup> May, 2018



## 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, 2018 and that to the best of our knowledge and belief;
  - these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading and
  - these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
4. That we have informed the auditors and the audit committee of :
  - i. significant changes in internal control over financial reporting during the year; if any.
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

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

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

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## DISCLOSURE WITH RESPECT TO DEMAT ACCOUNT OF THE IEPF AUTHORITY

Pursuant to Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the details regarding shares transferred in the Demat Account of the IEPF Authority as applicable are as under:-

- (a) Aggregate number of Shareholders and the outstanding shares in the Demat Account of the IEPF Authority lying at the beginning of the year :- NIL
- (b) Number of Shareholders who approached listed entity for transfer of shares from Demat Account of the IEPF Authority during the year:- NIL
- (c) Number of Shareholders to whom shares were transferred from Demat Account of the IEPF Authority during the year:- NIL
- (d) Aggregate number of Shareholders and the outstanding shares in the Demat Account of the IEPF Authority lying at the end of the year:- Number of Shareholder -1, Number of Shares- 4198
- (e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**KOTHARI PRODUCTS LIMITED**  
**KANPUR**

### REPORT ON THE STANDALONE IND-AS FINANCIAL STATEMENTS

We have audited the accompanying standalone Ind-AS financial statements of Kothari Products Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement for the year then ended, the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information, (herein after referred to as "standalone Ind-AS Financial Statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind-AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind-AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind-AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind-AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind-AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind-AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind-AS financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind-AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### OTHER MATTER

The Ind AS financial statements of the Company for the year ended March 31st, 2018, included in these standalone financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 23rd, 2017.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind-AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rule, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, reference is invited towards our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 46 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company

For RAJIV MEHROTRA & ASSOCIATES  
Chartered Accountants,  
Firm Registration No. 002253C

ANJANI KHETERPAL  
PARTNER  
M.No.401701

Place: Kanpur  
Date : 26<sup>th</sup> May, 2018



## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in Para 1 under ‘Report on Other legal and Regulatory Requirements’ section of our report of even date)

Re: Kothari Products Ltd. we report that:

- (i)
  - a. The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The company has a program of physical verification of fixed assets, so as to cover all the items over a period of three years. In accordance with this programme, property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and the records examined by us and based on the registered sale deeds/transfer deeds etc. evidencing title in immovable properties which are freehold, we report that the immovable properties capitalized in the books of account of the company are held in its name.
- (ii)
  - a. According to the information, explanations and documents produced for our verification, we report that the inventory of traded goods and immovable properties have been physically verified by the management at reasonable intervals during the year at various locations and no material discrepancies were noticed on such physical verification.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company has maintained proper records of inventory. According to the information and explanations given to us and on the basis of our examination of records, we are of the opinion that no material discrepancies were noticed on physical verification and the same have been properly dealt with in the books of accounts.
- (iii)
  - a. That as regards the loans to entities covered in the Register maintained u/s 189 of the Companies Act, 2013, it is reported that:
    - The company has granted unsecured loan only to its wholly owned Subsidiary during the year under consideration.
    - The loans given to the Associates are outstanding since earlier years.
    - The total outstanding balance as at the close of the year in respect of such advances was Rs.18682 Lakhs.
  - b. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
  - c. That as per the information and explanations given to us, there is no repayment schedule in respect of the short term advance given to the subsidiary and the same is repayable on demand. That as regards the loans given to the Associate concerns, as per the information and explanations given to us and the terms of loans/advances made by the company, no advances are due for payment within one year from the close of the year.
  - d. That as per the information and explanations given to us and terms of the loans given by the company, there are no amounts overdue on account of interest/principal.
- (iv) In Our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees, during the year under audit.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any public deposits. No Order has been passed by the Company Law Board/National Company Law Tribunal or Reserve Bank of India.
- (vi) In our opinion and according to the information and explanations given to us, the company is not liable for maintenance of cost records u/s 148 of the Companies Act, 2013.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including investor education protection fund, income tax, sales tax, wealth tax, service tax, & customs duty and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, customs duty, VAT, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

- (b) As per the information and explanations given to us and on the basis of the verification of the records of the company, the statutory dues which have not been deposited on account of disputes are as under:

Year	Amount Involved	Forum where pending	Statute
AY 2009-10	9742800	Jurisdictional AO, Kanpur	Income tax
AY 2009-10	268364	Jurisdictional AO, Kanpur	Fringe Benefit Tax
AY 2010-11	6702710	Jurisdictional AO, Kanpur	Income tax
AY 2011-12	1912440	Jurisdictional AO, Kanpur	Income tax
AY 2013-14	168630	Jurisdictional AO, Kanpur	Income tax
AY 2014-15	13940	CPC, Income Tax Department, Bengaluru	Income tax
AY 2015-16	2214110	Jurisdictional AO, Kanpur	Income tax
AY 2016-17	10569	Jurisdictional AO, Kanpur	TDS under Income Tax Law
Several years prior to AY 2016-17	433922	Jurisdictional AO, Kanpur	TDS under Income Tax Law

It is relevant here to mention that the proceedings in respect of the demerged 'Pan Masala Division' of the company, are not being reported since as per the Order of the Hon'ble Allahabad High Court, all the assets/liabilities and pending litigations got transferred to the demerged entity viz. M/s Pan Parag India Limited and are the liability of the said demerged entity.

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, Bank, Government or dues of debenture-holders.
- (ix) In our opinion and according to the information and explanations given to us, the company has applied term loans for the purposes for which the same were availed. The company is a listed company. However, no funds have been raised through a public offering in the year under consideration.
- (x) According to the information and explanations given to us, no fraud by the company or on the company, by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 r.w. Schedule V of the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence the reporting under clause (xii) of CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the company has complied with Sections 177 and Section 188 of the Companies Act, 2013, where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate companies or persons connected with them during the year under consideration and hence provisions of section 192 of Companies Act, 2013 are not applicable.
- (xvi) In our opinion the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For RAJIV MEHROTRA & ASSOCIATES  
Chartered Accountants,  
Firm Registration No. 002253C

ANJANI KHETERPAL  
PARTNER  
M.No.401701

Place: Kanpur  
Date : 26<sup>th</sup> May, 2018

## **ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in Para 2(f) under ‘Report on Other legal and Regulatory Requirements’ section of our report of even date)  
REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER SECTION 143(3)(I) OF THE COMPANIES ACT, 2013 (“THE ACT”)**

We have audited the internal financial controls over financial reporting of Kothari Products Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditors’ Responsibility**

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

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information, and according to the explanations given to us, the company has, in all material aspects, an adequate internal financial controls’ system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in Guidance Note of Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **RAJIV MEHROTRA & ASSOCIATES**  
Chartered Accountants,  
Firm Registration No. 002253C

**ANJANI KHETERPAL**  
PARTNER  
M.No.401701

Place: Kanpur  
Date : 26<sup>th</sup> May, 2018

# **BALANCE SHEET AS AT 31ST MARCH, 2018**

			(Amount in ` Lacs)
	NOTE	As at 31.03.2018	As at 31.03.2017
<b>I. ASSETS</b>			
<b>(1) Non-current Assets</b>			
Property, Plant and Equipment	2	1277	1012
Investment Property	3	2616	2175
Financial Assets			
Investments	4	36530	32178
Loans	5	6032	7560
Bank Deposits	6	21823	3269
Other Financial Assets	7	13	13
Deferred Tax Assets	8	780	159
<b>(2) Current Assets</b>			
Inventories	9	4308	4548
Financial assets			
Investments	10	20427	13989
Trade Receivables	11	112570	108298
Cash and Cash Equivalents	12	1119	4048
Bank Balances other than above	13	7774	12249
Loans	14	12869	4516
Bank Deposits	15	29887	91888
Other Financial Assets	16	2177	2721
Current Tax Assets (Net)	17	2134	779
<b>TOTAL ASSETS</b>		<b>262336</b>	<b>289402</b>
<b>II. EQUITY &amp; LIABILITIES</b>			
<b>(1) Equity</b>			
Equity Share capital	18	2984	2984
<b>(2) Other Equity</b>			
Reserves & Surplus	19	83707	79437
<b>(3) Non-current liabilities</b>			
Financial Liabilities			
Long Term Borrowings	20	80	51
Other Non Current Liabilities	21	162	87
<b>(4) Current Liabilities</b>			
Financial Liabilities			
Borrowings	22	32841	10977
Trade Payables	23	141805	192951
Provisions	24	0	1078
Other Current Liabilities	25	757	1837
<b>TOTAL EQUITY &amp; LIABILITY</b>		<b>262336</b>	<b>289402</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes are an integral part of the financial statements.</b>	2-46		

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

# STATEMENT OF PROFIT & LOSS FOR YEAR ENDED 31st MARCH, 2018

			(Amount in ` Lacs)
	NOTE	Year Ended 31st March 2018	Year Ended 31st March 2017
<b>I. REVENUE FROM OPERATIONS</b>			
Revenue from Operations	26	422856	435158
Other Income	27	1381	2871
<b>Total Income</b>		<b>424237</b>	<b>438029</b>
<b>II. EXPENSES :</b>			
Purchase of Stock-in-Trade	28	407980	411664
Changes in Inventories	29	240	3077
Employee Benefit Expense	30	315	268
Depreciation and Amortisation Expense	2 & 3	200	159
Other Expenses	31	7830	8479
Finance Costs	32	2622	4832
<b>Total Expenses</b>		<b>419187</b>	<b>428479</b>
<b>III. PROFIT BEFORE EXCEPTIONAL ITEMS &amp; TAX</b>		<b>5050</b>	<b>9550</b>
Exceptional items		0	0
<b>IV. PROFIT/(LOSS) BEFORE TAX</b>		<b>5050</b>	<b>9550</b>
Income Tax Expense			
Current Tax		1268	2660
Deferred Tax		-621	492
Excess Provision of Income Tax for Earlier Year (Net)		-11	-53
<b>V. PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>4414</b>	<b>6451</b>
<b>VI. Discontinued Operations</b>			
Profit from Discontinued Operations before Tax		0	0
Tax Expense of Discontinued Operations		0	0
<b>VII. Profit from Discontinued Operations</b>		<b>0</b>	<b>0</b>
<b>VIII. PROFIT/(LOSS) FOR THE YEAR</b>		<b>4414</b>	<b>6451</b>
<b>IX. OTHER COMPREHENSIVE INCOME</b>			
A. Items that may be reclassified to profit or loss		0	0
Income Tax relating to these Items		0	0
B. Items that will not be reclassified to profit or loss		0	0
Income Tax relating to these Items		0	0
<b>Other Comprehensive Income for the Year (Net of Tax)</b>		<b>0</b>	<b>0</b>
<b>X. TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>4414</b>	<b>6451</b>
<b>XI. EARNINGS PER SHARE (FOR CONTINUING OPERATIONS)</b>			
Basic EPS		14.79	21.62
Diluted EPS		14.79	21.62
<b>XII. EARNINGS PER SHARE (FOR DISCONTINUED OPERATIONS)</b>			
Basic EPS		0.00	0.00
Diluted EPS		0.00	0.00
<b>XIII. EARNINGS PER SHARE (FOR DISCONTINUED &amp; CONTINUING OPERATIONS)</b>			
Basic EPS		14.79	21.62
Diluted EPS		14.79	21.62
<b>Significant Accounting Policies</b>	1		
<b>Notes are an integral part of the financial statements.</b>	2-46		

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

For and on behalf of the Board

(DEEPAK KOTHARI)  
Chairman & Managing Director

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(MITESH KOTHARI)  
Executive Director

(ANURAG TANDON)  
Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY

### A. EQUITY SHARE CAPITAL

PARTICULARS	AMOUNT
<b>AS at 01.04.2016</b>	<b>2984</b>
Issue of Equity Share Capital	0
<b>AS at 31.03.2017</b>	<b>2984</b>
Issue of Equity Share Capital	0
<b>AS at 31.03.2018</b>	<b>2984</b>
<b>B. Other Equity</b>	

PARTICULARS	Reserves and Surplus			Total
	General Reserve	Retained Earnings	Items of OCI	
<b>AS at 01.04.2016</b>	<b>34598</b>	<b>39466</b>	<b>0</b>	<b>74064</b>
Profit for the year	0	6451	0	6451
Other Comprehensive Income	0	0	0	0
<b>Total Comprehensive Income for the year</b>	<b>0</b>	<b>6451</b>	<b>0</b>	<b>6451</b>
<b>Addition/ (Deletion) during the year</b>				
Transfer to General Reserve	645	-645	0	0
Proposed Dividend on Equity Share and tax thereon	0	-1078	0	-1078
<b>AS at 31.03.2017</b>	<b>35243</b>	<b>44194</b>	<b>0</b>	<b>79437</b>
Profit for the year	0	4414	0	4414
Other Comprehensive Income	0	0	0	0
<b>Total Comprehensive Income for the year</b>	<b>0</b>	<b>4414</b>	<b>0</b>	<b>4414</b>
<b>Addition/ (Deletion) during the year</b>				
Transfer to General Reserve	441	-441	0	0
Other Addition/ (Deletion)	0	-144	0	-144
Proposed Dividend on Equity Share and tax thereon	0	0	0	0
<b>AS at 31.03.2018</b>	<b>35684</b>	<b>48023</b>	<b>0</b>	<b>83707</b>

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	(Amount in ` Lacs)	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax	5050	9550
Adjustments for		
- Depreciation	200	159
- Finance Cost	2622	4832
- Balances Written off	1763	0
- Prior Period Expenses	-144	0
- Net Unrealised Forex Gain (-) / Loss	51	-3529
- Fair Value Adjustment relating to Investment in Mutual Funds and Listed Securities	-1192	-1416
- Finance Income on Redeemable Debentures	79	-288
- Lease Rent- (Impact on discounting of Security Deposits)	-7	-6
- Profit (-) / Loss on Sale of Property, Plant and Equipment	1	0
- Net Profit on Sale of Investments	-553	-519
- Interest Income	-638	-1258
- Dividend Income	-44	-32
<b>Operating Profit before Working Capital Changes</b>	<b>2138</b>	<b>-2057</b>
Adjustments for:		
- Trade Receivables & Others	-2453	32931
- Inventories	240	2557
- Trade Payables & Others	-53489	-37425
<b>Cash Generated from Operations</b>	<b>-55702</b>	<b>-1937</b>
Net Income Tax Paid	-2612	-2578
<b>Net Cash Flow from Operating Activities</b>	<b>-51126</b>	<b>2978</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
- Purchase of Property, Plant and Equipment	-979	-65
- Sale of Property, Plant and Equipment	73	3
- Purchase of Investments- Others	-10244	-16757
- Purchase of Investments- Subsidiary	-5360	0
- Sale of Investments-Others	5480	6856
- Sale of Investments-Subsidiary Companies	0	335
- Sale of Investments-Associate Companies	1000	200
- Loans to Subsidiary Companies (Net)	-8374	9210
- Loans to Associate Companies (Net)	-194	-349
- Loans to Others	-6	558
- Interest Received	638	1258
- Investment in Bank Deposits	47922	-6367
- Dividend Received	44	32
<b>Net Cash flow from/(used in) Investing Activities</b>	<b>30000</b>	<b>-5086</b>



PARTICULARS	(Amount in ` Lacs)	
	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
- Secured Loans from Banks	6627	6129
- Unsecured Loan	15267	-50
- Dividend Paid	-896	0
- Tax on Dividend Paid	-182	0
- Finance Cost	-2619	-4830
<b>Net Cash flow from/(used in) Financing Activities</b>	<b>18197</b>	<b>1249</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>-2929</b>	<b>-859</b>
Cash & Cash Equivalents - Opening Balance	4048	4907
Cash & Cash Equivalents - Closing Balance	1119	4048

**Note:**

- The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, Statement of Cash Flows.
- The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of the current year.
- Components of cash and cash equivalents :-

PARTICULARS	As at 31 March 2018	As at 31 March 2017
(a) Cash in hand and in transit	6	3
(b) Cheques in Hand	0	100
(c) Balances with Scheduled Banks		
(i) In Current Accounts & E E F C Accounts	1113	3945
<b>TOTAL</b>	<b>1119</b>	<b>4048</b>

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## Notes to Financial Statements

### Note:1 SIGNIFICANT ACCOUNTING POLICIES

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

A. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provisions of the Act. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that is measured at fair value
- ii) Defined benefit plans-plan assets measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs (INR.00,000), except when otherwise indicated.

#### B. Current vs. Non Current classification:

The Company presents assets and liabilities in the balance sheet based on current/non- current classification.

(a) An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for purpose of trading.
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

(b) A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its general operating cycle.

#### C. USE OF ESTIMATES :

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period. Differences between actual results and estimates are recognised in the year in which the results are known or materialise.

#### 1.2 PROPERTY, PLANT AND EQUIPMENT (PPE)

- (i) Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- (ii) The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes, if any), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- (iii) Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

- (iv) An item of Property, plant and equipment and any significant part initially recognised separately as part of Property, plant and equipment is de-recognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets is included in the Statement of Profit and Loss.
- (v) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (vi) Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013.

### 1.3 INVESTMENT PROPERTY

Investment Property is property (land or a building – or part of a building – or both) held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, used in production or supply of goods or services or for administrative purposes. Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and carrying amount of the Investment Property shall be recognized in Statement of Profit and Loss.

Depreciation on Investment Property is provided on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013.

### 1.4. LEASE ACCOUNTING :

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

### 1.5. INVENTORIES :

- (i) Basis of Valuation: Inventories are stated at lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.
- (ii) Method of Valuation: Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.

The inventories have been physically taken by the management periodically.

### 1.6. INVESTMENTS :

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

- (a) Investments in Equity/Preference capital of unlisted Subsidiaries and Associates are valued at cost. The company does not have any listed subsidiaries/associates
- (b) Investments in unlisted Debt Instruments are valued at Amortised Cost. .
- (c) Investments in listed equity instruments are valued at fair value, arrived at, on the basis of quotes available as at the end of the year.
- (d) On disposal of an investment, the difference between its carrying amount and net disposal proceed is charged or credited to the Statement of Profit and Loss.

### 1.7. TRANSACTIONS IN FOREIGN CURRENCY :

- (a) Initial recognition :

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

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

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

(c) Forward Exchange Contracts :

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

## 1.8. REVENUE RECOGNITION:

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

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

Interest Income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income". Interest income earned in the course of the Trading Activity undertaken by the company is classified under 'operating income' since the underlying bank deposits are in-extricably linked with such trade and the interest income from such deposits are as much part of the margin from such trade.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other operating income in the statement of profit or loss due to its operating nature.

## 1.9. EMPLOYEE RETIREMENT OPERATING :

### Short term employee benefits

All employee benefits payable/available within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

### Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Company contributes a part of the contributions to the Government administered Provident/Pension Fund. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through the provident fund scheme as and expense, when an employee renders related services.

### Other long term employee benefits

The company has subscribed to a Group Gratuity Accumulation Policy from LIC, which is a defined contribution plan. The liabilities with respect to Gratuity Plan are determined by actuarial valuation by LIC. The premium, as determined, based on such valuation, is paid and charged to the Statement of Profit & Loss account.

## 1.10. PROVISIONS FOR TAXATION:

### Current Taxes:

- (i) Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.
- (ii) Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

#### **1.11. PROVISIONS & CONTINGENCIES:**

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

#### **1.12. EARNING PER SHARE:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share consolidation, without a corresponding change in resources, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares, if any.

The company has not issued any potentially dilutive equity shares.

#### **1.13. PROPOSED DIVIDEND:**

Under Ind AS, proposed dividend is recognised as liability in the period in which it is declared by the Company, usually when approved by the shareholders in a general meeting, or paid.

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognised directly in equity.

The annual dividend proposed, if any, by the Directors forms part of the Directors' Report

#### **1.14. BORROWING COSTS:**

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

#### **1.15 CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

#### **1.16 OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

#### **1.17 Several debit and credit balances are subject to confirmation by parties.**

#### **1.18 GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES:**

Government Grants are recognised at their realizable value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The company is an exporter and receives grants in the form of Duty Drawbacks, Import entitlement etc. The same are recognized, subject to the policy stated in para 1 above, in the year in which the export sales are made and the company is eligible for the grants/incentive and when there is no uncertainty about its realisation.

**Note: 2**

**Property, Plant and Equipment**

The changes in the carrying value of property, plant and equipment for the year ended 31 March, 2018 are as follows:

PARTICULARS	Land	Building (Office)	Motor Cars	Computers	Office Equipment	Furniture & Fixture	Temporary Structure	Building (Godown)	TOTAL
Gross carrying value as of April 1, 2017	251	273	1,276	31	141	50	77	297	2,396
Additions	-	-	449	3	9	36	-	-	497
Deletions/Transfer	-	-	366	-	-	-	-	-	366
Gross carrying value as of March 31, 2018	251	273	1,359	34	150	86	77	297	2,527
Accumulated Depreciation as of April 1, 2017	251	161	693	25	126	31	77	20	1,384
Depreciation for the year	-	9	143	1	4	7	-	5	169
Deduction / adjustments during the period	-	-	303	-	-	-	-	-	303
Accumulated Depreciation as of March 31, 2018	251	170	533	26	130	38	77	25	1,250
Carrying value as of March 31, 2018	-	103	826	8	20	48	-	272	1,277
Carrying value as of March 31, 2017	-	112	583	6	15	19	-	277	1,012

**Note : 3**
**Investment Property**

PARTICULARS	AS AT 31.03.2018	(Amount in ` Lacs)
		AS AT 31.03.2017
<b>Gross Amount</b>		
Opening		
Depreciable Investment Property	1499	980
Other Investment Property#	762	761
Additions (Depreciable)	482	520
Deletion/Transfer (Depreciable)	11	-
Closing	2732	2261
<b>Accumulated Depreciation</b>		
Opening	86	62
For the year	30	24
Closing	116	86
<b>Net Carrying Amount</b>	2616	2175

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

The Amounts recognised in the Statement of Profit & Loss in respect of Investment Properties are as under:

PARTICULARS	Year Ended	Year Ended
	31-March 2018	31-March 2017
Rental income from investment property	621	411
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	28	15
Direct operating expenses ( including repairs and maintenance ) arising from investment property that did not generate rental income during the period.	2	0

**Note : 4**

PARTICULARS	QUANTITY (NOS.)		(Amount in ` Lacs)	
	AS AT	AS AT	AS AT	AS AT
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
<b>Investments (Non Current)</b>				
<b>A. Quoted - Non Trade (At Market Value)</b>				
<b>I. Equity Shares, Each, Fully Paid-up</b>				
Agro Tech Foods Ltd. of ` 10/-	12000	12000	76	65
Amararaja Batteries Ltd of Re.1/-	5000	0	40	0
Bajaj Corp Ltd. of Re.1/-	20000	23944	95	95
Bajaj Finance Limited of ` 2/-	6000	6000	106	70
Bank of Baroda of ` 2/-	30000	0	43	0
Bharat Heavy Electricals Ltd of ` 2/-	30000	0	24	0
Britannia Industries Ltd of ` 2/-	0	1000	0	34
Central Depository Services (India) Ltd of ` 10/-	10000	0	28	0
Camson Seeds Ltd of ` 10/-	0	10000	0	1
Cummins India Ltd of ` 2/-	20000	29894	140	283
Dhanuka Agritech Ltd of ` 2/-	3566	0	20	0
GE Power India Ltd of ` 10/-	38005	38005	353	222
Glaxosmithkline Consumer Healthcare Ltd of ` 10/-	0	1000	0	52



**NOTE : 4 CONTINUED**

PARTICULARS	QUANTITY (NOS.)		(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017
IDFC Limited of ` 10/-	144500	94500	70	52
IDFC Bank Ltd of ` 10/-	94500	94500	45	56
Jyothy Laboratories Ltd of Re.1/-	12000	14000	47	50
Larsen & Toubro Ltd. of ` 2/-	3000	2000	39	32
Marico Ltd of Re.1/-	80000	110000	261	324
Kaya Ltd. of ` 10/-	1210	1210	13	9
Motherson Sumi Systems Ltd of Re.1/-	4500	3000	14	11
NBCC (India) Ltd of ` 2/-	21000	0	40	0
NRB Bearings Ltd of ` 2/-	10000	0	15	0
NMDC Ltd of Re.1/-	50000	20000	59	27
Oil and Natural Gas Corporation Ltd of ` 5/-	40000	40000	71	74
Power Finance Corporation Ltd of ` 10/-	40000	0	34	0
PI Industries Ltd of Re.1/-	5000	0	44	0
Punjab National Bank of ` 2/-	30000	0	29	0
Power Grid Corporation of India Ltd of ` 10/-	25000	20000	49	40
Rallis India Ltd of Re.1/-	30000	30000	71	78
Reliance Industries Ltd. of ` 10/-	51000	25500	450	336
Stampede Capital Limited of Re.1/-	600000	600000	51	121
Stampede Capital Limited (DVR) of Re.1/-	150000	0	8	0
State Bank of India of Re.1/-	150	150	0	0
Steel Authority of India Ltd of ` 10/-	0	50000	0	31
Sun Pharmaceuticals Industries Ltd of Re.1/-	5000	0	25	0
Dhanlaxmi Bank Limited of ` 10/-	215000	215000	46	64
Karur Vysya Bank Ltd. of ` 2/-	0	75000	0	84
Tata Chemicals Ltd of ` 10/-	6000	0	41	0
Tata Motors Ltd of ` 2/-	15000	0	49	0
Tata Steel Ltd. of ` 10/-	0	5000	0	24
Triveni Turbine Ltd. of Re.1/-	12500	12500	13	18
UPL Ltd of ` 2/-	5000	0	36	0
Uflex Ltd. of ` 10/-	492056	492056	1672	1367
Whirlpool of India Ltd. of ` 10/-	35000	50000	530	612
<b>Aggregate Market Value</b>	<b>TOTAL (A)</b>		<b>4747</b>	<b>4232</b>
<b>B. Unquoted</b>				
<b>I. Non-trade (At Cost)</b>				
(a) Capital Contribution in India Growth Fund			223	223
<b>II. Trade (At Cost)</b>				
<b>(a) Investments in Equity Shares of wholly owned subsidiary Companies, each Fully paid up</b>				
M.K. Web Tech Private Ltd. of ` 10/-	250000	250000	190	190
KPL Exports Private Ltd. of ` 10/-	6000000	6000000	10500	10500
Adyashakti Realtors Private Ltd. of ` 10/-	10000	0	5360	0
<b>(b) Investments in Equity Shares of other subsidiary Companies, each Fully paid up</b>				
Blackplinth Realtors Pvt Ltd of ` 10/-	27000	27000	3	3
Savitrimata Realtors Pvt. Ltd. Class B Shares of ` 10/-	25500	25500	107	107
Kothari Products Singapore Pte. Ltd. of SGD1/-	10000000	10000000	3746	3746

**NOTE : 4 CONTINUED**

PARTICULARS	QUANTITY (NOS.)		(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017
<b>(c) Investments in Equity Shares of other Companies, each Fully paid up</b>				
Hara Parvati Realtors Pvt. Ltd. of ` 10/-	25000	25000	1624	1624
Real Griha Nirman Private Ltd. of ` 10/-	10000	10000	1	1
Shubhadra Realtors Private Ltd. of ` 10/-	10000	10000	1	1
Sankhya Realtors Private Ltd. of ` 10/-	10000	10000	1	1
SPPL Hotels Private Ltd. of ` 10/-	250000	250000	478	478
Sattva Realtors Pvt Ltd of ` 10/-	12500	12500	1	1
Neelanchal Con-tech Private Limited of ` 10/-	10000	10000	1	1
Riverview Land Developers Pvt Ltd of ` 10/-	90000	90000	9	9
<b>(d) Investment in Preference Shares of other companies, each fully paid-up of Rs.10/- each</b>				
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1621271	1621271	2770	2770
0.001% Non Cumulative Compulsorily Convertible Preference Shares of SPPL Hotels Pvt. Ltd.	1557692	1557692	1480	1480
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of Hara Parvati Realtors Pvt. Ltd.	849233	849233	591	591
0.001% Non Cumulative Compulsorily Convertible Preference Shares of Hara Parvati Realtors Pvt. Ltd.	815929	815929	1477	1477
<b>(d) Others</b>				
National Savings Certificate (Deposited with Commercial Tax)			0	0
<b>III. Trade (At Amortized Cost)</b>				
<b>(a) Investments in Debentures of other subsidiary Companies</b>				
1% Redeemable Non Convertible Debentures of Savitrimata Realtors Private Limited (At Amortized Cost)	255000	255000	3220	3010
<b>(b) Others</b>				
1% Unsecured Non Convertible Debentures of Real Griha Nirman Private Limited	0	30000	0	415
1% Optionally Convertible Debentures of Neelanchal Con-tech Private Limited	0	10000	0	1318
			<b>TOTAL (B)</b>	27946
			<b>TOTAL (A+B)</b>	32178

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 5</b>		
<b>Loans (Non Current)</b>		
<b>Unsecured, Considered Good</b>		
(a) Security Deposits	60	20
(b) Loans & Advances to related parties		
(i) Loans to Associate Companies/Enterprises over which KMP are able to exercise significant Influence	5530	5336
(ii) Loans to Subsidiaries:-		
Due from Savitrimata Realtors Pvt. Ltd.	66	59
Due from M.K. Web Tech Pvt. Ltd.	218	203
(c) Other Loans & Advances		
Advance for Properties	67	67
Loans to Others	91	1875
	<b>(A)</b>	7560
<b>Unsecured, Considered Doubtful</b>		
Loans to Others	100	100
Less: Provision for Doubtful Debts	100	100
	<b>(B)</b>	0
	<b>TOTAL (A+B)</b>	7560

PARTICULARS	(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 6</b>		
<b>Bank Deposits (Non Current)</b>		
In Fixed Deposit Accounts (Including interest accrued but not due)*	21823	3269
<b>TOTAL</b>	<b>21823</b>	<b>3269</b>

\* Fixed Deposit of ` 21745 Lacs (Previous Year ` 3269 Lacs) pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company

PARTICULARS	(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 7</b>		
<b>Other Financial Assets ( Non Current)</b>		
<b>Unsecured Considered Good</b>		
<b>Other Loans &amp; Advances</b>		
-Advance recoverable in cash or in kind or for value to be received or pending adjustments	13	13
<b>TOTAL</b>	<b>13</b>	<b>13</b>

PARTICULARS	(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 8</b>		
<b>Deferred Tax Assets (Net)</b>		
<b>Deferred Tax Assets</b>		
Arising Due to Time Difference between Books of Accounts and Income-tax Act, 1961	780	159
<b>TOTAL</b>	<b>780</b>	<b>159</b>
<b>Component of Deferred Tax Assets (Net)</b>		
Property, Plant and Equipment	41	40
Financial Assets	-478	-1065
Provisions	1217	1184
<b>TOTAL</b>	<b>780</b>	<b>159</b>

<b>Note : 9</b>		
<b>Inventories -</b>		
(At cost or net realisable Value whichever is lower, as certified by the management)		
Trading Items	1574	1462
Real Estate (Work-in-progress)	1668	2443
Real Estate (Constructed Premises)	1066	643
<b>TOTAL</b>	<b>4308</b>	<b>4548</b>

Note : 10

PARTICULARS	QUANTITY (NOS.)		(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017
<b>Investments (Current)</b>				
<b>A. Mutual Funds-At Market Value</b>				
<b>I. Units, each, fully paid up</b>				
Aditya Birla Sun Life Short Term Fund-Growth-Regular Plan of ` 10/-##	1267641.175	0.000	842	0
Axis Fixed Income Opportunity Fund Growth of ` 10/-##	21952856.455	21952856.455	2996	2815
BOI AXA Capital Protection Oriented Fund- Series 2-Regular Plan Growth of ` 10/-##	0.000	999990.000	0	108
Canara Robeco Capital Protection Oriented Fund-Series 7 Regular Growth-C7-GP of ` 10/-##	1200000.000	1200000.000	131	125
Canara Robeco Capital Protection Oriented Fund-Series 8 Regular Growth-C8-GP of ` 10/-##	1500000.000	0.000	157	0
Canara Robeco Capital Protection Oriented Fund-Series 9 Regular Growth-C9-GP of ` 10/-##	2000000.000	0.000	202	0
ICICI Prudential Corporate Bond Fund- Growth of ` 10/-##	17522012.005	9749361.448	4736	2473
Invesco India Corporate Bond Opportunity Fund-Regular Plan-Growth of ` 1000/-##	79.086	79.086	1	1
Kotak Income Opportunity Fund-Growth (Regular Plan) of ` 10/-##	10376106.457	10376106.457	1984	1862
Kotak Medium Term Fund-Growth (Regular Plan) of ` 10/-##	4736206.470	0.000	684	0
L&T Resurgent India Corporate Bond Fund Growth of ` 10/-##	15433344.855	4131238.761	2006	506
Reliance Money Manager Fund-Growth Plan Growth Option of ` 1000/-	14534.476	23486.676	348	527
Reliance Liquid Fund-Treasury Plan-Growth of ` 1000/-##	0.000	1417.027	0	56
Reliance Corporate Bond Fund-Growth Plan of ` 10/-##	9888051.058	6141610.177	1386	808
Reliance Regular Saving Fund-Debt Plan- Growth Plan Growth Option of ` 10/-##	4474.333	4474.333	1	1
SBI Magnum Income Fund-Regular Plan-Growth of ` 10/-##	10623145.935	10623145.935	4508	4288
SBI Corporate Bond Fund- Regular Plan-Growth of ` 10/-##	3869.475	3869.475	1	1
UTI-Liquid Cash Plan-Institutional-Growth of ` 1000/-##	0.000	15740.065	0	418
<b>Aggregate Market Value</b>	<b>TOTAL (A)</b>		<b>19983</b>	<b>13989</b>
<b>III. Trade (At Amortized Cost)</b>				
1% Unsecured Non Convertible Debentures of Real Griha Nirman Private Limited	30000.00	0	444	0
	<b>TOTAL (A+B)</b>		<b>20427</b>	<b>13989</b>

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

Particulars	(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 11</b>		
<b>Trade Receivables (Current)</b>		
Unsecured Considered Doubtful	3382	3382
Unsecured Considered Good	112570	108298
	115952	111680
Less: Provision for Doubtful Debts	3382	3382
<b>TOTAL</b>	<b>112570</b>	<b>108298</b>

<b>Note : 12</b>		
<b>Cash &amp; Cash Equivalent</b>		
<b>Cash &amp; Bank Balances:</b>		
(a) Cash in hand and in transit	6	3
(b) Cheques in Hand	0	100
(c) Balances with Scheduled Banks		
(i) In Current Accounts & E E F C Accounts	1113	3945
<b>TOTAL</b>	<b>1119</b>	<b>4048</b>

Particulars	(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 13</b>		
<b>Bank Balances other than Cash and Cash Equivalent</b>		
(a) Balances with Scheduled Banks		
(i) In Unclaimed Dividend accounts	24	23
(ii) In Fixed Deposit Accounts (Including interest accrued but not due)**	7750	12226
<b>TOTAL</b>	<b>7774</b>	<b>12249</b>

\*\* Fixed Deposit pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company.

<b>Note : 14</b>		
<b>Loans (Current)</b>		
<b>Unsecured Considered Good</b>		
<b>-Loans &amp; Advances to related parties</b>		
Due from KPL Exports Pvt. Ltd., A Wholly Owned Subsidiary	12869	4516
<b>TOTAL</b>	<b>12869</b>	<b>4516</b>

<b>Note : 15</b>		
<b>Bank Deposits (Current)</b>		
In Fixed Deposit Accounts (Including interest accrued but not due)***	29887	91888
<b>TOTAL</b>	<b>29887</b>	<b>91888</b>

\*\*\*\*Fixed Deposit of Rs.29817 Lacs (Previous Year Rs.91750 Lacs) pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company

(Amount in ` Lacs)

**Note : 16**

**Other Financial Assets (Current)**

**Unsecured Considered Good**

**Other Loans & Advances**

-Advance recoverable in cash or in kind or for value to be received or pending adjustments	<u>2177</u>	<u>2721</u>
<b>TOTAL</b>	<u><b>2177</b></u>	<u><b>2721</b></u>

**Note : 17**

**Current Tax Assets (Net)**

Advance Income Tax and Tax Deducted at Source	<u>8688</u>	<u>8561</u>
Less: Provision for Tax	<u>6554</u>	<u>7782</u>
<b>TOTAL</b>	<u><b>2134</b></u>	<u><b>779</b></u>

**Note : 18**

**EQUITY SHARE CAPITAL**

**AUTHORISED :**

31000000 Equity Shares of ` 10/- each	<u>3100</u>	<u>3100</u>
---------------------------------------	-------------	-------------

**ISSUED, SUBSCRIBED AND PAID UP :**

29843865 Equity Shares of ` 10/- each fully paid up	<u>2984</u>	<u>2984</u>
<b>TOTAL</b>	<u><b>2984</b></u>	<u><b>2984</b></u>

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

<b>18.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period</b>	<b>As at 31 March, 2018</b>		<b>As at 31 March, 2017</b>	
	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
<b>Equity Share of ` 10/- each fully paid up:-</b>				
Opening Balance	<u>29843865</u>	<u>2984</u>	<u>29843865</u>	<u>2984</u>
<b>Closing Balance</b>	<u><b>29843865</b></u>	<u><b>2984</b></u>	<u><b>29843865</b></u>	<u><b>2984</b></u>
<b>18.2 Details of shares held by shareholders holding more than 5% shares</b>	<b>As at 31 March, 2018</b>		<b>As at 31 March, 2017</b>	
<b>Class of shares/Name of shareowners</b>	<b>Number of shares held</b>	<b>holding %</b>	<b>Number of shares held</b>	<b>holding %</b>
<b>Equity Share of ` 10/- each fully paid up:-</b>				
a) Mr. Deepak Kothari jointly with Mrs. Arti D Kothari	-	-	16576596	55.54%
b) Mr. Deepak Kothari	<u>16576596</u>	<u>55.54%</u>	-	-
c) Mitesh Kothari (HUF)	<u>1828098</u>	<u>6.13%</u>	1828098	6.13%
d) Dham Securities Pvt Ltd	<u>3299998</u>	<u>11.06%</u>	3299998	11.06%
e) Magnus Properties Pvt Ltd	<u>1690114</u>	<u>5.66%</u>	1690114	5.66%

Particulars	(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 19</b>		
<b>Reserves and Surplus:</b>		
<b>(a) General Reserve</b>		
As per last Balance Sheet	35243	34598
Add : Transferred from Statement of Profit & Loss	441	645
Closing balance	35684	35243
<b>(b) Profit &amp; Loss Account - As per account annexed</b>		
As per last Balance Sheet	44194	39466
Add-Profit for the year	4414	6451
Less: Prior Period Expenses	144	0
	48464	45917
Less-Appropriations		
Transfer to General Reserve	441	645
Proposed Dividend on Equity Shares	0	896
Provision for Tax on Proposed Dividend	0	182
Closing balance	48023	44194
<b>TOTAL</b>	<b>83707</b>	<b>79437</b>
<b>Note : 20</b>		
<b>Long Term Borrowings</b>		
Secured		
Car Loan	80	51
<b>TOTAL</b>	<b>80</b>	<b>51</b>
<b>Note : 21</b>		
<b>Other Non Current Liabilities</b>		
Security Deposit Accepted Against Lease Agreement	162	87
<b>TOTAL</b>	<b>162</b>	<b>87</b>
<b>Note : 22</b>		
<b>Borrowings</b>		
<b>Secured:</b>		
Overdraft against TDRs from Nationalised Banks	15181	8711
Cash Credit Limits from Nationalised Banks	98	0
Export Packing Credit Limits from Nationalised Banks	2180	2200
Car Loan	115	66
<b>TOTAL</b>	<b>17574</b>	<b>10977</b>



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

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

**Prime Securities:**

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

**Collateral Securities:**

- I. Equitable mortgage of following properties ( on pari-passu basis):
  - Property at Noida owned by the Company.
  - Three different properties at Bengaluru owned by the Companies over which Key Managerial Personnel are able to exercise significant influence.
  - Property at Bengaluru owned by a wholly owned subsidiary Company.
  - Property at Pune owned by the Director of the Company.
- II. Lien on Term Deposit of ` 2203 lacs
- III. Lien on Mutual Funds of ` 1715 lacs
- IV. Lien of Term Deposit of ` 292 lacs exclusively with Indian Overseas Bank.

**Guarantees:**

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

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

PARTICULARS	(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017
<b>Unsecured</b>		
Loan From Directors	15267	0
<b>TOTAL</b>	15267	0
<b>GRAND TOTAL</b>	32841	10977

**Note : 23**

**Trade Payables**

Trade Payables (including acceptances)	141805	192951
<b>TOTAL</b>	141805	192951

The Trade Payables includes payables secured by Letters of Credits issued by bank to the extent of Rs. 129785 Lacs (Previous Years Rs. 151611 Lacs)

**Note : 24**

**Provisions**

Proposed Dividend	0	896
Tax on Proposed Dividend	0	182
<b>TOTAL</b>	0	1078

**Note : 25**

**Other Current Liabilities**

Advance Against Orders	367	615
Due to Directors	4	5
Unpaid/ Unclaimed Dividend	24	23

PARTICULARS	(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017
Statutory Liabilities	15	28
Outstanding Liabilities	347	1166
<b>TOTAL</b>	<b>757</b>	<b>1837</b>

**Note : 26**

**Revenue from Operations**

(a) Sales of Traded Goods	416166	419185
(b) Other Operating Revenues		
(i) Interest Earned on Bank Deposits held for Business Purposes & Others	4686	8517
(ii) Net Gain on Investments Carried at Fair Value through Profit & Loss	1046	354
(iii) Rental Income	625	414
(iv) Compensation Received on Arbitration Award	0	5100
(v) Net Gain on Foreign Currency Transactions and Translation	0	1256
(vi) Miscellaneous Income	333	332
<b>TOTAL</b>	<b>422856</b>	<b>435158</b>

PARTICULARS	(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017

**Note : 27**

**Other Income**

(a) Dividend Income (Gross)	44	32
(b) Interest on Loans to Subsidiaries	414	858
(c) Interest on Other Loans & Advances	224	400
(d) Net Gain on Investments Carried at Fair Value through Profit & Loss	146	1062
(e) Net Gain on Disposal of Investments	553	519
<b>TOTAL</b>	<b>1381</b>	<b>2871</b>

**Note : 28**

**Purchases of Stock-in-Trade**

Purchases of Traded Goods	407980	411664
<b>TOTAL</b>	<b>407980</b>	<b>411664</b>

**Note : 29**

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

**Opening Stock :**

Trading Items	1462	2306
Real Estate (Work-in-Progress)	2443	3932
Real Estate (Constructed Premises)	643	1387
<b>TOTAL</b>	<b>4548</b>	<b>7625</b>

**Closing Stock**

Trading Items	1574	1462
Real Estate (Work-in-Progress)	1668	2443
Real Estate (Constructed Premises)	1066	643
<b>TOTAL</b>	<b>4308</b>	<b>4548</b>
	240	3077

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 30</b>		
<b>Employee Benefit Expenses</b>		
Salaries, Wages and Bonus	156	142
Contribution to Provident and other Funds	11	10
Gratuity	3	2
Director Remuneration	42	30
Staff Welfare and Other Expenses	103	84
<b>TOTAL</b>	<b>315</b>	<b>268</b>

PARTICULARS	(Amount in ` Lacs) AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 31</b>		
<b>Other Expenses</b>		
Electricity Expenses	55	55
General Insurance	48	31
Rent	173	176
Rates & Taxes	3	1
Net Loss on Foreign Currency Transactions and Translation	4694	0
Repairs :		
Building	72	68
Others	43	34
Selling & Distribution Expenses	31	4
Travelling & Conveyance	153	113
Miscellaneous Expenses	2352	1212
Corporate Social Responsibility Expenses	0	143
Net Loss on Disposal of Property, Plant and Equipments	1	0
Payment to Auditors :		
Statutory Audit Fee	2	3
Tax Audit Fee	1	1
Bad Debts	0	5874
Directors' Commission	202	764
Directors' Sitting Fee	0	0
<b>TOTAL</b>	<b>7830</b>	<b>8479</b>

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 32</b>		
<b>Finance Cost</b>		
Interest Cost	979	2400
Bank Charges	1643	2432
<b>TOTAL</b>	<b>2622</b>	<b>4832</b>

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 33</b>		
<b>Contingent Liabilities:-</b>		
Corporate Guarantees issued by the Company to certain banks on behalf of one of its subsidiary	40882	40422
	(USD 62.85 Million)	(USD 62.34 Million)
Corporate Guarantees issued by the Company to Nationalised banks on behalf of associate companies	42000	38300
Corporate Guarantees issued by the Company to Nationalised banks on behalf of one of its wholly owned subsidiary	38500	32500

PARTICULARS	Year Ended 31-March 2018	Year Ended 31-March 2017
<b>Note : 34</b>		
<b>VALUE OF IMPORTS (C.I.F.BASIS) :</b>		
Stock-in-trade	394252	402576

	(Amount in ` Lacs)	
	Year Ended 31-March 2018	Year Ended 31-March 2017
<b>Note : 35</b>		
<b>EXPENDITURE IN FOREIGN CURRENCY :</b>		
Travelling Expenses	17	18
Import of Goods- Trading Items	394252	402576
Export Commission	33	34

<b>Note : 36</b>		
<b>EARNING IN FOREIGN CURRENCY :</b>		
Export of goods on F.O.B. Basis	362009	315753

<b>Note : 37</b>		
<b>PAYMENT TO AUDITORS :</b>		
(a) As Auditors	2	3
(b) For Tax Audit	1	1

**Note : 38**  
**Segment Information ( Information about Business Segments) :**

The Company operates in two business segments-

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

**Segment Information are as under-**

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

(a) Trading Items	422178	429307
(b) Real Estate etc.	2059	8722
	<u>424237</u>	<u>438029</u>

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

(a) Trading Items	6474	8388
(b) Real Estate etc.	1198	5994
Net Profit Before Interest	7672	14382
(c) Interest Expenses	2622	4832
Net Profit Before tax	5050	9550

**(C) Segment Assets**

	As at 31.03.2018	As at 31.03.2017
(a) Trading Items	226816	298803
(b) Real Estate etc.	35520	31529
	262336	330332

**(D) Segment Liabilities**

(a) Trading Items	169866	247017
(b) Real Estate etc.	5778	893
	175644	247910

**Note:39**

**Related Party Disclosures in accordance with Ind AS 24.**

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

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

**(A) Key Managerial Personnel & their Relatives :**

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

**(B) Associate Companies:**

- Real Griha Nirman Private Limited
- Sankhya Realtors Private Limited
- Neelanchal Con-tech Private Limited
- Hara Parvati Realtors Private Limited
- SPPL Hotels Private Limited
- Subhadra Realtors Private Limited
- Sattva Realtors Private Limited

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

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

**(D) Subsidiary Companies :**

**(I) Direct Subsidiary:**

- (a) MK Web-Tech Pvt. Limited
- (b) KPL Exports Pvt. Limited
- (c) Kothari Products Singapore Pte. Limited
- (d) Savitrimata Realtors Pvt. Limited
- (e) Blackplinth Realtors Pvt Limited
- (f) Adyashakti Realtors Pvt Limited

**(II) Indirect Subsidiary:**

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

**(ii) Summary of Transactions:**

Particulars	Key Managerial Personnel & Relatives		Associate Companies / Others in which KMP have significant influence		(Amount in ` Lacs) Subsidiary Companies	
	For the year ended / As on		For the year ended / As on		For the year ended / As on	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Directors'/KMP Remuneration etc.	297	835	-	-	-	-
Sale of Goods / Services	135	-	-	-	-	-
On Account of Expenses	19	16	162	166	-	-
On Account of Interest on Loan Taken	82	9	-	-	-	-
On Account of Income - Rent	-	-	3	3	1	1
Interest Income on Loan Given	-	-	216	393	414	858
Interest Received including amortisation of premium on Debentures	-	-	(281)	106	236	223
Investment in Shares During the year	-	-	-	-	5,360	-
Redemption of Debenture (Investment) During the year	-	-	1000	200	-	-
Dividend Paid	572	-	99	-	-	-
Corporate Guarantees issued and outstanding as on date	-	-	42000	38,300	79,382	72,922
Outstanding (Payable)	15270	5	-	-	-	-
Outstanding (Receivable)	-	-	5,530	5,336	13,153	4,779
Note : Since no amount is considered as bad & doubtful, neither provision is made for the same nor amount written off.					2017-18	2016-17

**Note : 40**

**Earning Per Share**

(a) Profit after tax (Profit attributable to Equity Shareholders)	4414	6451
(b) Weighted average nos. of Equity Shares for Basic / Diluted EPS	29843865	29843865
(c) Nominal Value of Equity Share (in ` )	10.00	10.00
(d) Basic and Diluted Earning per Equity Share (in ` )	14.79	21.62

**Note : 41**

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

						(Figures in Lacs)
Particulars of Derivatives	Derivative Contracts	31.03.2018		31.03.2017		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	1220	79361	522	33817	Hedge of Export and other Receivables
	EURO/INR	16	1295	96	6621	
Buy	USD/INR	1263	82156	995	64538	Hedge of Import and other Payables
	EURO/INR	16	1295	106	7315	

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

**(Figures in Lacs)**

Particulars	Currency	31.03.2018		31.03.2017	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	884	57504	1247	80883
	EURO	26	2074	405	28063
Import and other Payables	USD	1178	76364	1385	89795
	EURO	183	13940	1001	69344

**Note : 42**

**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:-

Particulars	As on 31.03.2018	As on 31.03.2017
Not later than one year	77	198
Later than one year and not later than five year	236	17
Later than five year	0	0

**Note : 43**

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 : 44**

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

**Note : 45**

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

**Note : 46**

**List of pending cases**

Name of the statute	Nature of Dues	Amount in Rs. Lacs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act**	Income Tax	29	A.Y. 2010-2011	Income Tax appellate Tribunal
Income Tax Act**	Income Tax	30	A.Y. 2009-2010	Income Tax appellate Tribunal
Income Tax Act**	Income Tax	18	A.Y. 2010-2011	Income Tax appellate Tribunal
Income Tax Act**	Income Tax	207	Block Period	High Court
Income Tax Act**	Income Tax	65	A.Y. 2001-2002	High Court
Income Tax Act**	Income Tax	118	A.Y. 2001-2002	High Court
Income Tax Act**	Income Tax	8	A.Y. 2003-2004	High Court
Income Tax Act**	Income Tax	22	A.Y. 2006-2007	High Court
Income Tax Act**	Income Tax	26	A.Y. 2008-2009	High Court
Income Tax Act**	Income Tax	26	A.Y. 2008-2009	High Court



Name of the statute	Nature of Dues	Amount in Rs. Lacs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act**	Income Tax	47	A.Y. 2013-2014	CIT (Appeal)
U.P. Sales Tax Act*	Luxary Tax & Sales Tax	18	1994-1995	Deputy Commissioner, Commercial Tax
U.P. Trade Tax Act*	Trade Tax	26	2007-2008	Tribunal, Commercial Tax
U.P. Trade Tax Act*	Trade Tax	4	2007-2008	Tribunal, Commercial Tax
U.P. Trade Tax Act*	Trade Tax	-	2004-2005	High Court
U.P. Sales Tax Act*	Sales Tax	intt. On tax	2000-2001 & 2001-2002	High Court
U.P. Sales Tax Act*	Sales Tax	534	2000-2001	High Court
U.P. Sales Tax Act*	Sales Tax	6	2001-2002	High Court
U.P. Sales Tax Act*	Sales Tax	1036	2000-2001	Supreme Court
Tamilnadu VAT ACT*	Sales Tax	272	2000-2001	Supreme Court
Employee Provident Fund Act	Provident Fund	2	2009-2010	High Court
Commercial Act	Recovery Case	1927	2016-17	Commercial Court/ Civil Court/High Court
Commercial Act	Civil Suit	367	-	Civil Court
Negotiable Instrument Act	U/s 138 NI Act & U/S 482 CR.P.C.	100	-	ACMM Court/ High Court
Central Excise Act	Prosicution of Excise Act	Amount unascertainable	-	CJM Court
CR.P.C.	U/S 482 CR.P.C.	Amount unascertainable	-	High Court
P.F.A. Act*	PFA Case	Amount unascertainable	-	Judicial Magistrate
M.V. Act	Claim Cases	Amount unascertainable	-	MACT

\*These are the Proceedings in respect of the demerged Pan Masala entity viz. M/s Pan Parag India Limited and are the liability of the said demerged entity.

\*\*All the demands have been duly deposited.

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## INDEPENDENT AUDITORS' REPORT

To  
The Members,  
Kothari Products Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS Financial Statements of Kothari Products Limited (hereinafter referred to as "the Holding Company"), its Subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates, comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, The Consolidated Cash Flow Statement, The Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "The Consolidated Ind AS Financial Statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS Financial Statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and associates as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Other Matter

1. We did not audit the financial statements and other financial information, in respect of 7 (seven) subsidiaries, whose Ind AS financial statements include total assets of Rs. 126155 lacs as at March 31, 2018, and total revenues of Rs. 214099 lacs and net cash flow of Rs. 1210 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management.

Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and Associates and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of such other auditors.

2. Two of the company's subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other the auditor under generally accepted auditing standards applicable in that country. The Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management.

Our opinion in so far as it relates to the balances and affairs of such subsidiaries and the joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our report is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and associates, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its joint ventures – Refer Note no.46 to the consolidated Ind AS financial statements
  - ii. The Group, and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2018.

For RAJIV MEHROTRA AND ASSOCIATES  
Chartered Accountants,  
Firm Registration No. 002253C

(Anjani Kheterpal)  
PARTNER  
Membership No. 401701

Place: Kanpur  
Date : 26<sup>th</sup> May, 2018



## **ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENT OF KOTHARI PRODUCTS LIMITED**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Kothari Products Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Kothari Products Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting



criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

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

For RAJIV MEHROTRA AND ASSOCIATES  
Chartered Accountants,  
Firm Registration No. 002253C

Place: Kanpur  
Date : 26<sup>th</sup> May, 2018

(Anjani Kheterpal)  
PARTNER  
Membership No. 401701

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018**

		<b>(Amount in ` Lacs)</b>	
<b>Particulars</b>	<b>NOTE</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2017</b>
<b>I. ASSETS</b>			
<b>(1) Non-current Assets</b>			
Property, Plant and Equipment	2	1986	1784
Investment Property	3	6437	6028
Goodwill		6290	787
Financial Assets			
Investments	4	11853	13036
Loans	5	6390	7950
Bank Deposits	6	27103	6714
Other Financial Assets	7	13	13
Deferred Tax Assets	8	705	107
Other Non-Current Assets	9	-	-
<b>(2) Current Assets</b>			
Inventories	10	21648	17424
Financial assets			
Investments	11	21950	14276
Trade Receivables	12	186200	167894
Cash and Cash Equivalents	13	1831	5970
Bank Balances other than above	14	13320	21399
Bank Deposits	15	37229	115886
Other Financial Assets	16	10589	8244
Current Tax Assets (Net)	17	2776	1340
<b>TOTAL ASSETS</b>		<b>356320</b>	<b>388852</b>
<b>II. EQUITY &amp; LIABILITIES</b>			
<b>(1) Equity</b>			
Equity Share capital	18	2984	2984
<b>(2) Other Equity</b>			
Reserves & Surplus	19	98274	92799
Non Controlling Interests		2	18
<b>(3) Non-current liabilities</b>			
Financial Liabilities			
Long Term Borrowings	20	13125	8800
Other Non Current Liabilities	21	662	87
<b>(4) Current Liabilities</b>			
Financial Liabilities			
Borrowings	22	39686	19494
Trade Payables	23	197763	259107
Provisions	24	881	1700
Other Current Liabilities	25	2943	3863
<b>TOTAL EQUITY &amp; LIABILITY</b>		<b>356320</b>	<b>388852</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes are an integral part of the financial statements.</b>	2-46		

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

# CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ` Lacs)

	NOTE	Year Ended 31st March 2018	Year Ended 31st March 2017
<b>I. REVENUE FROM OPERATIONS</b>			
Revenue from operations	26	636956	633431
Other income	27	994	2081
<b>Total Income</b>		<b>637950</b>	<b>635512</b>
<b>II. EXPENSES</b>			
Cost of materials consumed	28	61	83
Purchase of stock-in-trade	29	615533	601611
Changes in inventories	30	273	3617
Employee benefit expense	31	765	638
Depreciation and amortisation expense	2 & 3	291	267
Other Expenses	32	9473	9213
Finance Costs	33	4492	7750
<b>Total Expenses</b>		<b>630888</b>	<b>623179</b>
<b>III. PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS, SHARE OF NET PROFITS OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD AND TAX</b>		<b>7062</b>	<b>12333</b>
Share of Net Profits of Associates & Joint Ventures accounted for using Equity Method		-258	-789
<b>IV. Profit before Exceptional Items &amp; Tax</b>		<b>6804</b>	<b>11544</b>
Exceptional items		0	0
<b>V. Profit/(Loss) before Tax</b>		<b>6804</b>	<b>11544</b>
Income Tax Expense			
Current Tax		1885	3504
Deferred Tax		-595	511
Excess Provision of Income Tax for Earlier Year (Net)		-21	-43
<b>VI. Profit/(Loss) for the period from Continuing Operations</b>		<b>5535</b>	<b>7572</b>
<b>Discontinued Operations</b>			
Profit from Discontinued Operations before Tax		0	0
Tax Expense of Discontinued Operations		0	0
<b>VI. Profit from Discontinued Operations</b>		<b>0</b>	<b>0</b>
<b>VIII. PROFIT/(LOSS) FOR THE YEAR</b>		<b>5535</b>	<b>7572</b>
<b>IX. OTHER COMPREHENSIVE INCOME</b>			
A. Items that may be reclassified to profit or loss		0	0
Income Tax relating to these Items		0	0
B. Items that will not be reclassified to profit or loss		0	0
Income Tax relating to these Items		0	0
<b>Other Comprehensive Income for the Year (Net of Tax)</b>		<b>0</b>	<b>0</b>
<b>Less: Minorities Interest</b>		<b>0</b>	<b>0</b>
<b>X. TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>5535</b>	<b>7572</b>
<b>XI. EARNINGS PER SHARE (FOR CONTINUING OPERATIONS)</b>			
Basic EPS		18.55	25.37
Diluted EPS		18.55	25.37
<b>XII. EARNINGS PER SHARE (FOR DISCONTINUED OPERATIONS)</b>			
Basic EPS		0.00	0.00
Diluted EPS		0.00	0.00
<b>XIII. EARNINGS PER SHARE (FOR DISCONTINUED &amp; CONTINUING OPERATIONS)</b>			
Basic EPS		18.55	25.37
Diluted EPS		18.55	25.37

## Significant Accounting Policies

Notes are an integral part of the financial statements

1  
2-46

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer



## STATEMENT OF CHANGES IN EQUITY

### A. EQUITY SHARE CAPITAL

PARTICULARS	AMOUNT
<b>AS at 01.04.2016</b>	<b>2984</b>
Issue of Equity Share Capital	0
<b>AS at 31.03.2017</b>	<b>2984</b>
Issue of Equity Share Capital	0
<b>AS at 31.03.2018</b>	<b>2984</b>

### B. Other Equity

PARTICULARS	Reserves and Surplus				Total
	Foreign Currency Translation Reserve	General Reserve	Retained Earnings	Items of OCI	
<b>AS at 01.04.2016</b>	<b>2278</b>	<b>34598</b>	<b>49958</b>	<b>0</b>	<b>86834</b>
Profit for the year	0	0	7572	0	7572
Other Comprehensive Income	0	0	0	0	0
<b>Total Comprehensive Income for the year</b>	<b>0</b>	<b>0</b>	<b>7572</b>	<b>0</b>	<b>7572</b>
<b>Addition/ (Deletion) during the year</b>					
Transfer to General Reserve	0	645	-645	0	0
Other Addition/ (Deletion)	-252	0	0	0	-252
Adjustment related to Ceased Subsidiaries	0	0	-277	0	-277
Proposed Dividend on Equity Share and tax thereon	0	0	-1078	0	-1078
Minorities Interest	0	0	0	0	0
<b>AS at 31.03.2017</b>	<b>2026</b>	<b>35243</b>	<b>55530</b>	<b>0</b>	<b>92799</b>
Profit for the year	0	0	5535	0	5535
Other Comprehensive Income	0	0	0	0	0
<b>Total Comprehensive Income for the year</b>	<b>0</b>	<b>0</b>	<b>5535</b>	<b>0</b>	<b>5535</b>
<b>Addition/ (Deletion) during the year</b>					
Transfer to General Reserve	0	441	-441	0	0
Other Addition/ (Deletion)	73	0	-144	0	-71
Adjustment related to Ceased Subsidiaries	0	0	11	0	11
Proposed Dividend on Equity Share and tax thereon	0	0	0	0	0
Minorities Interest	0	0	0	0	0
<b>AS at 31.03.2018</b>	<b>2099</b>	<b>35684</b>	<b>60491</b>	<b>0</b>	<b>98274</b>

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018**

	(Amount in ` Lacs)	
PARTICULARS	2017-2018	2016-2017
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Tax	6804	11544
Adjustments for		
- Depreciation	291	267
- Finance Cost	4492	7750
- Balances Written off	1763	0
- Prior Period Expenses	-144	0
- Exchange Translation Reserve on Consolidation	73	-252
- Net Unrealised Forex (Gain)/loss	-177	-4275
- Fair Value Adjustment relating to Investment in Mutual Funds and Listed Securities	-1229	-1419
- Finance Income on Redeemable Debentures	289	-91
- Lease Rent- (Impact on discounting of Security Deposits)	-6	-6
- Share of Net Profits of Associates & Joint Ventures accounted for using Equity Method	258	789
- Profit (-) / Loss on Sale of Property, Plant and Equipment	1	-59
- Net Profit on Sale of Investments	-562	-525
- Interest Income	-223	-400
- Dividend Income	-44	-32
<b>Operating Profit/ (loss) before working capital changes</b>	<b>11586</b>	<b>13291</b>
Adjustments for:		
- Trade Receivables & Others	-18855	34324
- Inventories	-4224	4086
- Trade payables & Others	-63308	-46753
<b>Cash Generated from Operations</b>	<b>-74801</b>	<b>4948</b>
Net Income Tax (paid)/ Refund	-3304	-3722
<b>Net Cash flow from/(used in) Operating Activities</b>	<b>-78105</b>	<b>1226</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
- Purchase of Property, Plant and Equipment	-987	-360
- Sale of Property, Plant and Equipment	83	1084
- Purchase of Investments- Others	-13079	-24571
- Purchase of Goodwill (Net)	-5503	0
- Sale of Investments-Other	7089	36520
- Sale of Investments-Associate Companies	1000	200
- Loans to associate companies (Net)	-194	-353
- Loans to others	-6	558
- Interest Received	223	400
- Investment in Bank Deposits	66347	-10
- Dividend Received	44	32
<b>Net Cash flow from/(used in) Investing Activities</b>	<b>55017</b>	<b>13500</b>

	(Amount in ` Lacs)	
PARTICULARS	2017-2018	2016-2017
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
- Secured Loans from banks	4520	-9397
- Unsecured Loans	4295	623
- Loans from director	15702	-2439
- Dividend Paid	-896	0
- Tax on Dividend Paid	-182	0
- Finance Cost	-4490	-7747
<b>Net Cash flow from/(used in) Financing Activities</b>	<b>18949</b>	<b>-18960</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>-4139</b>	<b>-4234</b>
Cash & Cash Equivalents - Opening Balance	5970	10204
Cash & Cash Equivalents - Closing Balance	1831	5970

Note:

- The above Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, Statement of Cash Flows.
- The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of the current year.
- Components of cash and cash equivalents :-

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Cash in hand and in transit	12	9
(b) Cheques in Hand	0	100
(c) Balances with Scheduled Banks		
(i) In Current Accounts & E E F C Accounts	1819	5861
<b>TOTAL</b>	<b>1831</b>	<b>5970</b>

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## Notes to Financial Statements

### Note:1 SIGNIFICANT ACCOUNTING POLICIES

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

A. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 (as amended from time to time) and other relevant provisions of the Act. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities:

- i) Certain financial assets and liabilities that is measured at fair value
- ii) Defined benefit plans-plan assets measured at fair value

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to nearest lakhs (INR.00,000), except when otherwise indicated.

#### B. Current vs. Non Current classification:

The Company presents assets and liabilities in the balance sheet based on current/non- current classification.

(a) An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for purpose of trading.
- Expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

(b) A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and deferred tax liabilities are classified as non- current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its general operating cycle.

#### C. USE OF ESTIMATES :

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period. Differences between actual results and estimates are recognised in the year in which the results are known or materialise.

#### 1.2 PROPERTY, PLANT AND EQUIPMENT (PPE)

- (i) Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.
- (ii) The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes, if any), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use).
- (iii) Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

- (iv) An item of Property, plant and equipment and any significant part initially recognised separately as part of Property, plant and equipment is de-recognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the assets is included in the Statement of Profit and Loss.
- (v) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- (vi) Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013.

### **1.3 INVESTMENT PROPERTY**

Investment Property is property (land or a building – or part of a building – or both) held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, used in production or supply of goods or services or for administrative purposes. Investment Properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and carrying amount of the Investment Property shall be recognized in Statement of Profit and Loss.

Depreciation on Investment Property is provided on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013.

### **1.4. LEASE ACCOUNTING :**

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

### **1.5. INVENTORIES :**

- (i) Basis of Valuation: Inventories are stated at lower of cost and net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.
- (ii) Method of Valuation: Cost of inventories comprises of expenditure incurred in the normal course of business in bringing inventories to their present location including appropriate overheads apportioned on a reasonable and consistent basis.

The inventories have been physically taken by the management periodically.

### **1.6. INVESTMENTS :**

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

- (a) Investments in Equity/Preference capital of unlisted Subsidiaries and Associates are valued at cost. The company does not have any listed subsidiaries/associates
- (b) Investments in unlisted Debt Instruments are valued at Amortised Cost. .
- (c) Investments in listed equity instruments are valued at fair value, arrived at, on the basis of quotes available as at the end of the year.
- (d) On disposal of an investment, the difference between its carrying amount and net disposal proceed is charged or credited to the Statement of Profit and Loss.

### **1.7. TRANSACTIONS IN FOREIGN CURRENCY :**

- (a) Initial recognition :

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

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

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

(c) Forward Exchange Contracts :

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

## **1.8. REVENUE RECOGNITION:**

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

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

Interest Income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income". Interest income earned in the course of the Trading Activity undertaken by the company is classified under 'operating income' since the underlying bank deposits are in-extricably linked with such trade and the interest income from such deposits are as much part of the margin from such trade.

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other operating income in the statement of profit or loss due to its operating nature.

## **1.9. EMPLOYEE RETIREMENT OPERATING :**

### **Short term employee benefits**

All employee benefits payable/available within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages and bonus, etc., are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

### **Provident fund**

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Both the employees and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Company contributes a part of the contributions to the Government administered Provident/Pension Fund. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable through the provident fund scheme as and expense, when an employee renders related services.

### **Other long term employee benefits**

The company has subscribed to a Group Gratuity Accumulation Policy from LIC, which is a defined contribution plan. The liabilities with respect to Gratuity Plan are determined by actuarial valuation by LIC. The premium, as determined, based on such valuation, is paid and charged to the Statement of Profit & Loss account.

## **1.10. PROVISIONS FOR TAXATION:**

### **Current Taxes:**

- (i) Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.
- (ii) Current income tax relating to item recognised outside the statement of profit and loss is recognised outside profit or loss (either in other comprehensive income or equity). Current tax items are recognised in correlation to the underlying transactions either in OCI or directly in equity.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each Balance Sheet date to reassess realisation.

#### **1.11. PROVISIONS & CONTINGENCIES:**

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

#### **1.12. EARNING PER SHARE:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share consolidation, without a corresponding change in resources, if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares, if any.

The company has not issued any potentially dilutive equity shares.

#### **1.13. PROPOSED DIVIDEND:**

Under Ind AS, proposed dividend is recognised as liability in the period in which it is declared by the Company, usually when approved by the shareholders in a general meeting, or paid.

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognised directly in equity.

The annual dividend proposed, if any, by the Directors forms part of the Directors' Report

#### **1.14. BORROWING COSTS:**

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

#### **1.15 CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

#### **1.16 OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

#### **1.17 Several debit and credit balances are subject to confirmation by parties.**

#### **1.18 GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES:**

Government Grants are recognised at their realizable value when there is reasonable assurance that the grant will be received and all the attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The company is an exporter and receives grants in the form of Duty Drawbacks, Import entitlement etc. The same are recognized, subject to the policy stated in para 1 above, in the year in which the export sales are made and the company is eligible for the grants/incentive and when there is no uncertainty about its realisation.



**Note:2 :**
**Property Plant & Equipment**

The changes in the carrying value of property, plant and equipment for the year ended 31 March, 2018 are as follows: (Amount in ` Lacs)

PARTICULARS	Freehold Land	Leasehold Land	Building (Office)	Building (Godown)	Motor Cars	Computers	Office Equipment	Temporary Structure	Furniture & Fixture	Plant & Machinery	TOTAL
Gross carrying value as of April 1, 2017	251	-	403	297	1,290	57	158	77	92	783	3,408
Additions	-	-	-	-	452	6	10	-	36	0	504
Deletions/Transfer	-	-	14	-	366	4	5	-	4	46	439
Gross carrying value as of March 31, 2018	251	-	389	297	1,376	59	163	77	124	737	3,473
Accumulated Depreciation as of April 1, 2017	251	-	174	19	701	47	142	77	67	146	1,624
Depreciation for the year	-	-	11	5	145	6	4	-	11	47	229
Deduction / adjustments during the period	-	-	9	-	303	4	4	-	3	43	366
Accumulated Depreciation as of March 31, 2018	251	-	176	24	543	49	142	77	75	150	1,487
Carrying value as of March 31, 2018	-	-	213	273	833	10	21	-	49	587	1,986
Carrying value as of March 31, 2017	-	-	229	278	589	10	16	-	25	637	1,784

(CONSOLIDATED)

**Note : 3**

**Investment Property**

PARTICULARS	(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017
<b>Gross Amount</b>		
Opening		
Depreciable Investment Property	3528	3008
Other Investment Property#	2971	2971
Additions (Depreciable)	482	520
Additions (Non Depreciable)	-	-
Deletion/ Transfer (Non Depreciable)	-	-
Deletion/ Transfer ( Depreciable)	11	-
Closing	6970	6499
<b>Accumulated Depreciation</b>		
Opening	471	415
For the year	62	56
Closing	533	471
<b>Net Carrying Amount</b>	6437	6028

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

The Amounts recognised in the Statement of Profit & Loss in respect of Investment Properties are as under:

PARTICULARS	Year Ended 31-March 2018	Year Ended 31-March 2017
Rental income from investment property	621	579
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the period	28	15
Direct operating expenses ( including repairs and maintenance ) arising from investment property that did not generate rental income during the period.	64	29

**Note : 4**

PARTICULARS	QUANTITY (NOS.)		(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017
<b>Investments (Non Current)</b>				
<b>A. Quoted - Non Trade (At Market Value)</b>				
<b>I. Equity Shares, Each, Fully Paid-up</b>				
Agro Tech Foods Ltd. of ` 10/-	12000	12000	76	65
Amararaja Batteries Ltd of ` 1/-	5000	0	40	0
Bajaj Corp Ltd. of ` 1/-	20000	23944	94	95
Bajaj Finance Limited of ` 2/-	6000	6000	106	70
Bank of Baroda of ` 2/-	30000	0	43	0
Bharat Heavy Electricals Ltd of ` 2/-	30000	0	24	0

**NOTE : 4 CONTINUED**

PARTICULARS	QUANTITY (NOS.)		(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017
Britannia Industries Ltd of ` 2/-	0	1000	0	34
Central Depository Services (India) Ltd of ` 10/-	10000	0	28	0
Camson Seeds Ltd of ` 10/-	0	10000	0	1
Cummins India Ltd of ` 2/-	20000	29894	140	283
Dhanuka Agritech Ltd of ` 2/-	3566	0	20	0
GE Power India Ltd of ` 10/-	38005	38005	353	222
Glaxosmithkline Consumer Healthcare Ltd of ` 10/-	0	1000	0	52
IDFC Limited of ` 10/-	144500	94500	70	52
IDFC Bank Ltd of ` 10/-	94500	94500	45	56
Jyothy Laboratories Ltd of ` 1/-	12000	14000	47	50
Larsen & Toubro Ltd. of ` 2/-	3000	2000	39	32
Marico Ltd of ` 1/-	80000	110000	261	324
Kaya Ltd. of ` 10/-	1210	1210	13	9
Motherson Sumi Systems Ltd of ` 1/-	4500	3000	14	11
NBCC (India) Ltd of ` 2/-	21000	0	40	0
NRB Bearings Ltd of ` 2/-	10000	0	15	0
NMDC Ltd of ` 1/-	50000	20000	59	27
Oil and Natural Gas Corporation Ltd of ` 5/-	40000	40000	71	74
Power Finance Corporation Ltd of ` 10/-	40000	0	34	0
PI Industries Ltd of ` 1/-	5000	0	44	0
Punjab National Bank of ` 2/-	30000	0	29	0
Power Grid Corporation of India Ltd of ` 10/-	25000	20000	49	40
Rallis India Ltd of ` 1/-	30000	30000	71	78
Reliance Industries Ltd. of ` 10/-	51000	25500	450	336
Stampede Capital Limited of ` 1/-	600000	600000	51	121
Stampede Capital Limited (DVR) of ` 1/-	150000	0	8	0
State Bank of India of ` 1/-	150	150	0	0
Steel Authority of India Ltd of ` 10/-	0	50000	0	31
Sun Pharmaceuticals Industries Ltd of ` 1/-	5000	0	25	0
Dhanlaxmi Bank Limited of ` 10/-	215000	215000	46	64
Karur Vysya Bank Ltd. of ` 2/-	0	75000	0	84
Tata Chemicals Ltd of ` 10/-	6000	0	41	0
Tata Motors Ltd of ` 2/-	15000	0	49	0
Tata Steel Ltd. of ` 10/-	0	5000	0	24
Triveni Turbine Ltd. of ` 1/-	12500	12500	13	18
UPL Ltd of ` 2/-	5000	0	36	0

NOTE : 4 CONTINUED

PARTICULARS	QUANTITY (NOS.)		(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017
Uflex Ltd. of ` 10/-	492056	492056	1672	1367
Whirlpool of India Ltd. of ` 10/-	35000	50000	530	612
<b>Aggregate Market Value</b>		<b>TOTAL (A)</b>	<b>4746</b>	4232
<b>B. Unquoted</b>				
<b>I. Non-trade (At Cost)</b>				
(a) Capital Contribution in India Growth Fund			223	223
<b>II. Trade (At Cost)</b>				
<b>(a) Investments in Equity Shares of other Companies, each Fully paid up</b>				
Riverview Land Developers Pvt Ltd of ` 10/-	90000	90000	9	9
NH2 Limited of GBP 0.10/-	1000000	1000000	557	521
<b>(b) Investment in Preference Shares of other companies, each fully paid-up of ` 10/- each</b>				
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of SPPL Hotels Pvt. Ltd.	1621271	1621271	2770	2770
0.001% Non Cumulative Compulsorly Convertible Preference Shares of SPPL Hotels Pvt. Ltd.	1557692	1557692	1480	1480
0.001% Non Cumulative Optionally Convertible Redeemable Preference Shares of Hara Parvati Realtors Pvt. Ltd.	849233	849233	591	591
0.001% Non Cumulative Compulsorly Convertible Preference Shares of Hara Parvati Realtors Pvt. Ltd.	815929	815929	1477	1477
<b>(c) Others</b>				
National Savings Certificate (Deposited with Commercial Tax)			0	0
<b>III. Trade (At Amortized Cost)</b>				
<b>(a) Others</b>				
1% Unsecured Non Convertible Debentures of Real Griha Nirman Private Limited	0	30000	0	415
1% Optionally Convertible Debentures of Neelanchal Con-tech Private Limited	0	10000	0	1318
		<b>TOTAL (B)</b>	<b>7107</b>	8804

(CONSOLIDATED)

PARTICULARS	QUANTITY (NOS.)		(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017
<b>C. Unquoted</b>				
<b>I. Trade (Accounted for using equity method)</b>				
<b>(a) Trade Investments in Equity Shares of Associate Companies, each Fully paid up</b>				
Hara Parvati Realtors Pvt. Ltd. of ` 10/-	25000	25000	1624	1624
Real Griha Nirman Private Ltd. of ` 10/-	10000	10000	1	1
Shubhadra Realtors Private Ltd. of ` 10/-	10000	10000	1	1
Sankhya Realtors Private Ltd. of ` 10/-	10000	10000	1	1
SPPL Hotels Private Ltd. of ` 10/-	250000	250000	478	478
Sattva Realtors Pvt Ltd of ` 10/-	12500	12500	1	1
Neelanchal Con-tech Private Limited of ` 10/-	10000	10000	1	1
		(a)	2107	2107
Less : Share of Losses in Associates		(b)	2988	2729
			-881	-622
Shown as provision for losses in Associates			-881	-622
Net Investments in Equity Shares of Associate Companies			0	0
	<b>TOTAL (C)</b>		<b>0</b>	<b>0</b>
	<b>TOTAL (A+B+C)</b>		<b>11853</b>	<b>13036</b>

(Amount in ` Lacs)

PARTICULARS		
	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 5</b>		
<b>Loans (Non Current)</b>		
<b>Unsecured, Considered Good</b>		
(a) Security Deposits	647	603
(b) Loans & Advances to related parties		
(i) Loans to Associate Companies/Enterprises over which KMP are able to exercise significant influence	5530	5336
(c) Other Loans & Advances:		
Service Tax Input Credit Receivable	0	15
Advance for Properties	67	67
Advance paid for APHP	55	55
Loans to Others	91	1874
	<b>(A)</b>	<b>7950</b>
<b>Unsecured, Considered Doubtful</b>		
Loans to Others	100	100
Less: Provision for Doubtful Debts	100	100
	<b>(B)</b>	<b>0</b>
	<b>TOTAL (A+B)</b>	<b>7950</b>

**(CONSOLIDATED)**

**(Amount in ` Lacs)**

**AS AT** **AS AT**  
**31.03.2018** **31.03.2017**

**Note : 6**

**Bank Deposits Non Current**

In Fixed Deposit Accounts (Including interest accrued but not due)\*

	<b>27103</b>	6714
<b>TOTAL</b>	<b>27103</b>	6714

\*Fixed Deposit of ` 27025 Lacs (Previous Year ` 6714 Lacs) pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company.

**(Amount in ` Lacs)**

**AS AT** **AS AT**  
**31.03.2018** **31.03.2017**

**Note : 7**

**Other Financial Assets (Non Current)**

**Unsecured Considered Good**

**Other Loans & Advances**

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

	<b>13</b>	13
<b>TOTAL</b>	<b>13</b>	13

**(Amount in ` Lacs)**

**PARTICULARS**

**AS AT** **AS AT**  
**31.03.2018** **31.03.2017**

**Note : 8**

**Deferred Tax Assets (Net)**

**Deferred Tax Assets**

Arising Due to Time Difference between Books of Accounts and Income-tax Act, 1961

	<b>705</b>	107
<b>TOTAL</b>	<b>705</b>	107

**Component of Deferred Tax Assets (Net)**

Property, Plant and Equipment

**-20** -10

Financial Assets

**-492** -1067

Provisions

**1217** 1184

<b>TOTAL</b>	<b>705</b>	107
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**Note : 9**

**Other Non Current Assets**

Preliminary & Preoperative Expenses Not Written Off

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

(CONSOLIDATED)

(Amount in ` Lacs)

PARTICULARS

AS AT 31.03.2018 AS AT 31.03.2017

Note : 10

Inventories -

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

Trading Items	1578	1462
Raw Material	0	5
Semi Finished Goods (Work-in-Progress)	0	1
Finished Goods	0	12
Real Estate (Work-in Progress)	19004	15301
Real Estate (Constructed Premises)	1066	643
<b>TOTAL</b>	<b>21648</b>	<b>17424</b>

Note : 11

PARTICULARS

QUANTITY (NOS.) (Amount in ` Lacs)

AS AT 31.03.2018 AS AT 31.03.2017 AS AT 31.03.2018 AS AT 31.03.2017

Investments (Current)

A. Mutual Funds-At Market Value

Units, each, fully paid up

Aditya Birla Sun Life Short Term Fund-Growth-Regular Plan ` 10/-##	1267641.175	0.000	842	0
Axis Fixed Income Opportunity Fund Growth of ` 10/-##	30882092.261	21952856.455	4214	2815
BOI AXA Capital Protection Oriented Fund- Series 2-Regular Plan Growth of ` 10/-##	0.000	999990.000	0	108
Canara Robeco Capital Protection Oriented Fund-Series 7 Regular Growth-C7-GP of ` 10/-	1200000.000	1200000.000	131	125
Canara Robeco Capital Protection Oriented Fund-Series 8 Regular Growth-C8-GP of ` 10/-##	1500000.000	0.000	157	0
Canara Robeco Capital Protection Oriented Fund-Series 9 Regular Growth-C9-GP of ` 10/-##	2000000.000	0.000	201	0
ICICI Prudential Corporate Bond Fund- Growth of ` 10/-#*	17856910.190	10084259.633	4827	2558
Invesco India Corporate Bond Opportunity Fund-Regular Plan-Growth of ` 1000/-##	79.086	79.086	1	1
Kotak Income Opportunity Fund-Growth (Regular Plan) of ` 10/-###	10494468.329	10494468.329	2007	1883
Kotak Medium Term Fund-Growth (Regular Plan) of ` 10/-##	4736206.470	0.000	684	0
L&T Resurgent India Corporate Bond Fund Growth of ` 10/-##	15433344.855	4131238.761	2006	506
Reliance Money Manager Fund-Growth Plan Growth Option of ` 1000/-	21279.609	30231.809	510	678
Reliance Liquid Fund-Treasury Plan-Growth of ` 1000/-##	0.000	1417.027	0	56
Reliance Corporate Bond Fund-Growth Plan of ` 10/-##*	10106029.326	6359588.445	1416	837
Reliance Regular Saving Fund-Debt Plan- Growth Plan Growth Option of ` 10/-##	4474.333	4474.333	1	1
SBI Magnum Income Fund-Regular Plan-Growth of ` 10/-##	10623145.935	10623145.935	4508	4289
SBI Corporate Bond Fund- Regular Plan-Growth of ` 10/-##	3869.475	3869.475	1	1
UTI-Liquid Cash Plan-Institutional-Growth of ` 1000/-	0.000	15740.065	0	418
<b>Aggregate Market Value</b>		<b>TOTAL (A)</b>	<b>21506</b>	<b>14276</b>



(CONSOLIDATED)

PARTICULARS	QUANTITY (NOS.)		(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 31.03.2018	AS AT 31.03.2017
<b>(B) Trade (At Amortized Cost)</b>				
<b>(a) Others</b>				
1% Unsecured Non Convertible Debentures of Real Griha Nirman Private Limited	30000	0	444	0
<b>TOTAL (A+B)</b>			<u>21950</u>	<u>14276</u>
## Pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company				
* 17522012.005 Units (Previous Year 9749361.448 Units) pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company				
### 10376106.457 Units (Previous Year 10376106.457 Units) pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company				
##* 9888051.058 Units (Previous Year 6141610.177 Units) pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company				

**Note : 12**

**Trade Receivables (Current)**

Unsecured Considered Doubtful  
Unsecured Considered Good

Less: Provision for Doubtful Debts

AS AT 31.03.2018	AS AT 31.03.2017
3382	3382
<u>186200</u>	<u>167894</u>
<u>189582</u>	<u>171276</u>
<u>3382</u>	<u>3382</u>
<b>TOTAL</b>	<b>TOTAL</b>
<u>186200</u>	<u>167894</u>

**Note : 13**

**Cash & Cash Equivalent**

**Cash & Bank Balances:**

(a) Cash in hand and in transit

(b) Cheques in Hand

(c) Balances with Scheduled Banks

(i) In Current Accounts & E E F C Accounts

**TOTAL**

AS AT 31.03.2018	AS AT 31.03.2017
12	9
0	100
<u>1819</u>	<u>5861</u>
<u>1831</u>	<u>5970</u>

**PARTICULARS**

AS AT 31.03.2018	AS AT 31.03.2017
---------------------	---------------------

**Note : 14**

**Bank Balances other than Cash and Cash Equivalent**

Balances with Scheduled Banks

(i) In Unclaimed Dividend accounts

(ii) In Fixed Deposit Accounts (Including interest accrued but not due)\*\*

**TOTAL**

AS AT 31.03.2018	AS AT 31.03.2017
23	23
<u>13297</u>	<u>21376</u>
<u>13320</u>	<u>21399</u>

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

**Note : 15**

**Bank Deposits Current**

Fixed Deposits\*\*\*

AS AT 31.03.2018	AS AT 31.03.2017
<u>37229</u>	<u>115886</u>
<b>TOTAL</b>	<b>TOTAL</b>
<u>37229</u>	<u>115886</u>

\*\*\* Fixed Deposit of ` 37160 Lacs (Previous Year ` 115748 Lacs) pledged with the banks as margin money or as collateral towards credit limits sanctioned by them to the Company

(CONSOLIDATED)

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
<b>Note : 16</b>		
<b>Other Financial Assets (Current)</b>		
<b>Unsecured Considered Good</b>		
<b>Other Loans &amp; Advances</b>		
-Advance recoverable in cash or in kind or for value to be received or pending adjustments	<b>10589</b>	8244
<b>TOTAL</b>	<b>10589</b>	8244

**Note : 17**

**Current Tax Assets (Net)**

Advance Income Tax and Tax Deducted at Source	<b>11479</b>	11653
Less: Provision for Tax	<b>8703</b>	10313
<b>TOTAL</b>	<b>2776</b>	1340

**Note : 18**

**EQUITY SHARE CAPITAL**

**AUTHORISED :**

31000000 Equity Shares of ` 10/- each	<b>3100</b>	3100
---------------------------------------	-------------	------

**ISSUED, SUBSCRIBED AND PAID UP :**

29843865 Equity Shares of ` 10/- each fully paid up	<b>2984</b>	2984
<b>TOTAL</b>	<b>2984</b>	2984

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

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

	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	Amount in Rs. Lacs	Number of shares	Amount in Rs. Lacs
Equity Share of Rs.10/- each fully paid up:-				
Opening Balance	<b>29843865</b>	2984	<b>29843865</b>	2984
Closing Balance	<b>29843865</b>	2984	<b>29843865</b>	2984

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

(CONSOLIDATED)

Class of shares/Name of shareowners	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares held	holding %	Number of shares held	holding %
Equity Share of Rs.10/- each fully paid up:-				
a) Mr. Deepak Kothari jointly with Mrs. Arti D Kothari	-	-	16576596	55.54%
b) Mr. Deepak Kothari	16576596	55.54%	-	-
c) Mitesh Kothari (HUF)	1828098	6.13%	1828098	6.13%
d) Dham Securities Pvt Ltd	3299998	11.06%	3299998	11.06%
e) Magnus Properties Pvt Ltd	1690114	5.66%	1690114	5.66%

(Amount in ` Lacs)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017
<b>Note : 19</b>		
<b>Reserves and Surplus:</b>		
<b>(a) Foreign Currency Translation Reserve</b>	<u>2099</u>	<u>2026</u>
	<u>2099</u>	<u>2026</u>
<b>(b) General Reserve</b>		
As at Commencement of the year	35243	34598
Add : Transferred from Profit & Loss Account	<u>441</u>	<u>645</u>
	<u>35684</u>	<u>35243</u>
<b>(c) Profit &amp; Loss Account - As per account annexed</b>		
Opening Balance	55530	49958
Add(+) Profit for the year	5535	7572
Less: Prior Period Expenses	<u>144</u>	<u>0</u>
	<u>60921</u>	<u>57530</u>
Less : Related to Ceased Subsidiaries	<u>-11</u>	<u>277</u>
	<u>60932</u>	<u>57253</u>
Less : Appropriations		
Transfer to General Reserve	441	645
Proposed Dividend on Equity Shares	0	896
Provision for Tax on Proposed Dividend	<u>0</u>	<u>182</u>
	<u>60491</u>	<u>55530</u>
<b>TOTAL</b>	<u>98274</u>	<u>92799</u>

(CONSOLIDATED)

(Amount in ` Lacs)

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
<b>Note : 20</b>		
<b>Long Term Borrowings</b>		
<b>Secured</b>		
Car Loan	80	51
<b>Unsecured</b>		
From Salarpuria Properties Pvt. Ltd.	12	11
From SPPL Property Management Pvt. Ltd.	306	189
291000 1% Non-convertible Debentures of ` 1,000/- each	3580	0
1055500 1% Redeemable Non Convertible Debentures of Rs. 1,000/- each	9147	8549
<b>TOTAL</b>	<b>13125</b>	<b>8800</b>

**Note : 21**

**Other Non Current Liabilities**

Security Deposit Accepted Against Lease Agreement	662	87
<b>TOTAL</b>	<b>662</b>	<b>87</b>

**Note : 22**

**Borrowings**

**22(a) Secured:**

Overdraft against TDRs from Nationalised Banks	18478	14115
Cash Credit Limits from Nationalised Banks	98	0
Export Packing Credit Limits from Nationalised Banks	2180	2200
Car Loan	115	66
<b>TOTAL</b>	<b>20871</b>	<b>16381</b>

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

**(A) Holding Company:**

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

**Prime Securities:**

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

**Collateral Securities:**

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

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

- II. Lien on Term Deposit of ` 2203 lacs
- III. Lien on Mutual Funds of ` 1715 lacs
- IV. Lien of Term Deposit of ` 292 lacs exclusively with Indian Overseas Bank.

**Guarantees:**

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

**(B) Subsidiary Companies:**

**(1) KPL Exports Pvt Limited**

**Prime Securities:**

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

**Collateral Securities:**

- I. Equitable mortgage of property at Pune owned by a director & Equitable Mortgage of two properties at Vizianagaram owned by other Companies.
- II. Lien on Term Deposit of ` 3800 lacs.

**Guarantees:**

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

**(2) Kothari Products Singapore Pte Limited**

**Prime Securities:**

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

**Collateral Securities:**

- I. Lien on Term Deposit of USD (\$) 77.65 lacs

**Guarantees:**

- I. Corporate Guarantees by the holding company.

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

PARTICULARS	(Amount in ` Lacs)	
	AS AT 31.03.2018	AS AT 31.03.2017
<b>22 (b) Unsecured</b>		
Loan From Directors	<u>18815</u>	<u>3113</u>
<b>TOTAL</b>	<u>18815</u>	<u>3113</u>
<b>GRAND TOTAL</b>	<u>39686</u>	<u>19494</u>

**Note : 23**

**Trade Payables**

Trade Payables (including acceptances)	<u>197763</u>	<u>259107</u>
<b>TOTAL</b>	<u>197763</u>	<u>259107</u>

Trade payables includes payables secured by letters of credit issued by banks to the extent of Rs. 161245 Lacs (Previous year Rs. 191642 Lacs)

(CONSOLIDATED)

(Amount in ` Lacs)

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
<b>Note : 24</b>		
<b>Provisions</b>		
Proposed Dividend	0	895
Tax on Proposed Dividend	0	182
Provision for losses in Associate Companies	881	623
<b>TOTAL</b>	<b>881</b>	<b>1700</b>

**Note : 25**

**Other Current Liabilities**

Advance Against Orders	2005	2112
Due to Directors	4	5
Unclaimed / Unpaid Dividend	24	23
Statutory Liabilities	47	128
Interest Accrued & Due	225	225
Outstanding Liabilities	638	1370
<b>TOTAL</b>	<b>2943</b>	<b>3863</b>

(Amount in ` Lacs)

PARTICULARS	Year Ended	Year Ended
	31-March 2018	31-March 2017
<b>Note : 26</b>		
<b>Revenue from Operations</b>		
(a) Sales of Traded Goods	629134	614147
(b) Sales	85	14
(c) Other Operating Revenues		
(i) Interest Earned on Bank Deposits held for Business Purposes & Others	5704	11378
(ii) Net Gain on Investments Carried at Fair Value through Profit & Loss	1065	354
(iii) Net Gain on Foreign Currency Transactions and Translation	0	1524
(iv) Compensation Received	0	5100
(v) Miscellaneous Income	344	332
(vi) Rental Income	624	582
<b>TOTAL</b>	<b>636956</b>	<b>633431</b>

**Note : 27**

**Other Income**

(a) Dividend Income	44	32
(b) Interest on Loans	223	400
(c) Net Gain on Disposal of Investments	562	525
(d) Net Gain on Disposal of Property, Plant and Equipments	0	59
(e) Miscellaneous Receipts	0	0
(f) Net Gain on Investments Carried at Fair Value through Profit & Loss	165	1065
<b>TOTAL</b>	<b>994</b>	<b>2081</b>

(CONSOLIDATED)

(Amount in ` Lacs)

PARTICULARS

Year Ended  
31-March 2018

Year Ended  
31-March 2017

**Note : 28**

**Cost of Material Consumed**

Opening Stock	5	13
Add: Purchases	56	75
	61	88
Less: Closing Stock	0	5
<b>TOTAL</b>	<b>61</b>	<b>83</b>

**Note : 29**

**Purchases of Stock-in-Trade**

Purchases of Traded Goods	615533	601611
<b>TOTAL</b>	<b>615533</b>	<b>601611</b>

**Note : 30**

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

**Opening Stock:**

Trading Items	1462	2848
Finished goods	12	10
Real Estate (Work-in-Progress)	2574	3932
Real Estate (Constructed Premises)	643	1387
<b>TOTAL</b>	<b>4691</b>	<b>8177</b>

**Closing Stock**

Trading Items	1579	1462
Finished goods	0	12
Real Estate (Work-in-Progress)	1773	2443
Real Estate (Constructed Premises)	1066	643
<b>TOTAL</b>	<b>4418</b>	<b>4560</b>
	<b>273</b>	<b>3617</b>

**Note : 31**

**Employee Benefit Expenses**

Salaries, Wages and Bonus	584	489
Contribution to Provident and other Funds	24	22
Gratuity	3	2
Director Remuneration	44	32
Staff welfare and Other Expenses	110	93
<b>TOTAL</b>	<b>765</b>	<b>638</b>



(CONSOLIDATED)

(Amount in ` Lacs)

PARTICULARS	Year Ended	Year Ended
	31-March 2018	31-March 2017
<b>Note : 32</b>		
<b>Other Expenses</b>		
Electricity Expenses	87	74
Manufacturing Expenses	8	3
General Insurance	72	55
Rent	241	195
Rates & Taxes	18	22
Freight & Cartage Outward	583	225
Loss on Foreign Currency Transactions and Translation	5420	-1
Bad Debts	0	5874
Repairs :		
Building	115	90
Others	47	38
Selling & Distribution Expenses	31	19
Travelling & Conveyance	162	121
Miscellaneous Expenses	2463	1524
Corporate Social Responsibility Expenses	0	187
Net Loss on Disposal of Property, Plant and Equipments	1	0
Payment to Auditors :		
Statutory Audit Fee	22	22
Tax Audit Fee	1	1
Directors' Commission	202	764
Directors' Sitting Fee	0	0
<b>TOTAL</b>	<b>9473</b>	<b>9213</b>

**Note : 33**

**Finance Cost**

Interest Cost	2154	4581
Bank Charges	2338	3169
<b>TOTAL</b>	<b>4492</b>	<b>7750</b>

**Note : 34**

**Contingent Liabilities:-**

34.1 Corporate Guarantees issued by the Company to certain banks on behalf of one of its subsidiary	40882	40422
	(USD 62.85 Million)	(USD 62.34 Million)
34.2 Corporate Guarantees issued by the Company to Nationalised banks on behalf of associate companies	42000	38300
34.3 Corporate Guarantees issued by the Subsidiaries Companies to Nationalised banks	166000	166000
34.4 Corporate Guarantees issued by the Company to Nationalised banks on behalf of one of its wholly owned subsidiary	38500	32500

**Note : 35**

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

**35.1 The Company operates in two business segments-**

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

(Amount in ` Lacs)

**Year Ended**      **Year Ended**  
**31-March 2018**      **31-March 2017**

**35.2 Segment Information are as under-**

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

(a) Trading Items	<b>635855</b>	626614
(b) Real Estate etc.	<b>2095</b>	8898
	<b>637950</b>	635512

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

(a) Trading Items	<b>10479</b>	13995
(b) Real Estate etc.	<b>817</b>	5299
Net Profit Before Interest	<b>11296</b>	19294
(c) Interest Expenses	<b>4492</b>	7750
Net Profit Before tax	<b>6804</b>	11544

**(C) Segment Assets**

As at	As at
31.03.2018	31.03.2017
318933	407367
37387	34636
<u>356320</u>	<u>442003</u>

**(D) Segment Liabilities**

(a) Trading Items	<b>244037</b>	339456
(b) Real Estate etc.	<b>11025</b>	6764
	<b>255062</b>	346220

**Note: 36**

**Related Party Disclosures in accordance with Ind AS 24.**

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

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

**(A) Key Managerial Personnel & their Relatives :**

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

**(B) Associate Companies:**

- Real Griha Nirman Private Limited
- Sankhya Realtors Private Limited
- Neelanchal Con-tech Private Limited
- Hara Parvati Realtors Private Limited
- SPPL Hotels Private Limited
- Subhadra Realtors Private Limited
- Sattva Realtors Private Limited

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

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

**(ii) Summary of Transactions:**

PARTICULARS	Key Managerial Personnel & Relatives		Associate Companies / Others in which KMP have significant influence	
	For the year ended / As on		For the year ended / As on	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Directors'/KMP Remuneration etc.	297	835	-	-
Sale of Goods / Services	135	-	-	-
On Account of Expenses	19	16	162	166
On Account of Interest on Loan Taken	82	9	-	-
On Account of Income - Rent	-	-	3	3
Interest Income on Loan Given	-	-	216	393
Interest Received including amortisation of premium on Debentures	-	-	(281)	106
Investment in Shares During the year	-	-	-	-
Redemption of Debenture (Investment) During the year	-	-	1,000	200
Dividend Paid	572	-	99	-
Corporate Guarantees issued and outstanding as on date	-	-	42,000	38,300
Outstanding (Payable)	15,270	5	-	-
Outstanding (Receivable)	-	-	5,530	5,336

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

**Note : 37**

The details regarding associate companies is as follows:

**Name of Associates**

	Proportion of Ownership
Haraparvati Realtors Private Limited	50%
Real Griha Nirman Private Limited	50%
Shubhadra Realtors Private Limited	50%
Sankhya Realtors Private Limited	45%
SPPL Hotels Private Limited	50%
Neelanchal Con-tech Private Limited	50%
Sattva Realtors Private Limited	25%

The above associate were accounted for using equity method in the consolidated financial statements

2017-18 2016-17

**Note : 38**

**Earning Per Share**

(a) Profit after tax (Profit attributable to Equity Shareholders)	5535	7572
(b) Weighted average nos. of Equity Shares for Basic / Diluted EPS	29843865	29843865
(c) Nominal Value of Equity Share (in `)	10.00	10.00
(d) Basic and Diluted Earning per Equity Share (in `)	18.55	25.37

**Note : 39**

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

(Figures in Lacs)

Particulars of Derivatives	Derivative Contracts	31.03.2018		31.03.2017		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	1658	107875	628	40747	Hedge of Export and other Receivables
	EURO/INR	35	2827	96	6621	
Buy	USD/INR	1452	94466	1140	73889	Hedge of Import and other Payables
	EURO/INR	16	1295	106	7315	

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

(Figures in Lacs)

PARTICULARS	Currency	31.03.2018		31.03.2017	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount in Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	1150	74779	1607	104207
	EURO	52	4175	586	40590
Import and other Payables	USD	1516	98293	1709	110831
	EURO	183	13940	1368	94738

**Note : 40**
**Operating Lease**

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

PARTICULARS	(Amount in ` Lacs)	
	As on 31.03.2018	As on 31.03.2017
Not later than one year	77	198
Later than one year and not later than five year	236	17
Later than five year	0	0

**Note : 41**

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

**Note : 42**

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

**Note : 43**

During the year M/s. Adyashakti Realtors Pvt. Ltd. has become a wholly owned subsidiary of the Company.

**Note : 44**

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

**Note : 45**

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

**Note: 46**
**List of pending cases**

Name of the statute	Nature of Dues	Amount in Rs. Lacs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act**	Income Tax	29	A.Y. 2010-2011	Income Tax appellate Tribunal
Income Tax Act**	Income Tax	30	A.Y. 2009-2010	Income Tax appellate Tribunal
Income Tax Act**	Income Tax	18	A.Y. 2010-2011	Income Tax appellate Tribunal
Income Tax Act**	Income Tax	207	Block Period	High Court
Income Tax Act**	Income Tax	65	A.Y. 2001-2002	High Court
Income Tax Act**	Income Tax	118	A.Y. 2001-2002	High Court
Income Tax Act**	Income Tax	8	A.Y. 2003-2004	High Court
Income Tax Act**	Income Tax	22	A.Y. 2006-2007	High Court
Income Tax Act**	Income Tax	26	A.Y. 2008-2009	High Court
Income Tax Act**	Income Tax	26	A.Y. 2008-2009	High Court
Income Tax Act**	Income Tax	47	A.Y. 2013-2014	CIT (Appeal)

Name of the statute	Nature of Dues	Amount in Rs. Lacs	Period to which the amount relates	Forum where dispute is pending
U.P. Sales Tax Act*	Luxary Tax & Sales Tax	18	1994-1995	Deputy Commissioner, Commercial Tax
U.P. Sales Tax Act*	Trade Tax	26	2007-2008	Tribunal, Commercial Tax
U.P. Sales Tax Act*	Trade Tax	4	2007-2008	Tribunal, Commercial Tax
U.P. Sales Tax Act*	Trade Tax	-	2004-2005	High Court
U.P. Sales Tax Act*	Sales Tax	intt. On tax	2000-2001 & 2001-2002	High Court
U.P. Sales Tax Act*	Sales Tax	534	2000-2001	High Court
U.P. Sales Tax Act*	Sales Tax	6	2001-2002	High Court
U.P. Sales Tax Act*	Sales Tax	1036	2000-2001	Supreme Court
Tamilnadu VAT ACT*	Sales Tax	272	2000-2001	Supreme Court
Employee Provident Fund Act	Provident Fund	2	2009-2010	High Court
Commercial Act	Recovery Case	1927	2016-17	Commercial Court/ Civil Court/High Court
Commercial Act	Civil Suit	367	-	Civil Court
Negotiable Instrument Act	U/s 138 NI Act & U/S 482 CR.P.C.	100	-	ACMM Court/ High Court
Central Excise Act	Prosicution of Excise Act	Amount unascertainable	-	CJM Court
CR.P.C.	U/S 482 CR.P.C.	Amount unascertainable	-	High Court
P.F.A. Act*	PFA Case	Amount unascertainable	-	Judicial Magistrate
M.V. Act	Claim Cases	Amount unascertainable	-	MACT

\* These are the proceedings in respect of the demerged pan masala entity viz. M/s Pan Parag India Limited and are the liability of the said demerged entity.

\*\*All the demands have been duly deposited.

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer

## FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31.03.2018

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	(Amount in Rs. Lacs)		
							Non Quoted & Trade	(a) Shares					(b) Others	Proposed Dividend	Extent of holding
1	MK Web-Tech Pvt. Limited	31.03.2018	25	1432	1804	1804	0	0	0	9	-120	3	-123	0	100%
2	KPL Exports Pvt. Limited	31.03.2018	600	18829	68436	68436	0	0	0	102616	1402	475	927	0	100%
3	Kothari Products Singapore Pte. Limited*	31.03.2018	4953	7812	37928	37928	557	0	557	11804	975	155	820	0	99.9998%
4	Pinehills (Singapore) Pte. Ltd. (100% subsidiary of Kothari Products Singapore Pte. Ltd.)*														
5	Savitrimala Realtors Pvt. Limited	31.03.2018	5	-17	13059	13059	0	0	0	0	-2	0	-2	0	51%
6	Blackplinth Realtors Pvt Limited	31.03.2018	5	-6	3409	3409	0	0	0	0	-1	0	-1	0	54%
7	Adyashakti Realtors Pvt Limited	31.03.2018	1	-723	3490	3490	0	0	0	905	-20	0	-20	0	100%

\*The reporting currency of Financials of M/s Kothari Products Singapore Pte Ltd and its 100% subsidiary Pinehills (Singapore) Pte Ltd are in USD(\$ ) and conversion rate applied is 1USD = Rs. 65,0441 and figures are as per audited consolidated financials of Kothari Products Singapore Pte. Ltd.

\*The reporting currency of Financials of M/s Kothari Products Singapore Pte Ltd and its 100% subsidiary Pinehills (Singapore) Pte Ltd are in USD(\$) and conversion rate applied is 1USD = Rs. 65.0441 and figures are as per audited consolidated financials of Kothari Products Singapore Pte. Ltd.

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer





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

Name of The Enterprises	Net Assets I.e. Total Minus Total Liabilities		Share In Profit Or Loss	
	As % of Consolidated Net Assets	Amount (Rs In Lacs)	As % of Consolidated Profit Or Loss	Amount (Rs In Lacs)
<b>Parent</b>				
Kothari Products Limited	85.61	86691	79.75	4414
<b>Subsidiaries</b>				
<b>Indian</b>				
Mk Web-Tech Pvt Ltd	1.44	1457	-2.22	-123
Kpl Exports Pvt Ltd	19.19	19429	16.75	927
Savitrimata Realtors Pvt Ltd	-0.01	-12	-0.04	-2
Blackplinth Realtors Pvt Ltd	0.00	-1	-0.02	-1
Adyashakti Realtors Pvt Ltd	-0.71	-722	-0.36	-20
<b>Foreign</b>				
Kothari Products Singapore Pte Ltd*	12.61	12765	14.81	820
Pinehills (Singapore) Pte. Ltd (100% Subsidiary Of Kothari Products Singapore Pte. Ltd)*				
<b>Non Controlling Interest</b>	0.00	2	0.00	0
<b>Associates (Investments As Per The Equity Method)</b>				
<b>Indian</b>				
Haraparvati Realtors Private Limited	2.10	2124	7.32	405
Real Griha Nirman Private Limited	0.00	0	0.00	0
Shubhadra Realtors Private Limited	0.00	2	0.04	2
Sankhya Realtors Private Limited	0.00	-1	0.00	0
Sppl Hotels Private Limited	-2.74	-2772	-12.92	-715
Neelanchal Con-Tech Private Limited	-0.13	-130	0.04	2
Sattva Realtors Private Limited	-0.10	-105	-0.05	-3

\*The figures are as per audited consolidated financials of Kothari Products Singapore Pte. Ltd.

As per our report of even date attached hereto.

For RAJIV MEHROTRA & ASSOCIATES  
Firm Regn NO. 002253C  
CHARTERED ACCOUNTANTS

For and on behalf of the Board

(ANJANI KHETERPAL)  
Partner  
Membership No. 401701

(DEEPAK KOTHARI)  
Chairman & Managing Director

(MITESH KOTHARI)  
Executive Director

Place : Kanpur  
Date : 26<sup>th</sup> May, 2018

(RAJ KUMAR GUPTA)  
CS & Compliance Officer

(ANURAG TANDON)  
Chief Financial Officer



# **KOTHARI** PRODUCTS LIMITED

**(CIN: L16008UP1983PLC006254)**

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

Ph.: 0512-2312171-74, Fax.: 0512-2312058

Visit us on Internet at: <http://www.kothariproducts.in>

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



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

### ATTENDANCE SLIP

I, hereby record my presence at the Thirty Fourth Annual General Meeting of the Company being held on **Tuesday, the 25th day of September, 2018 at 11:30 A.M. at Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave – 3, Kanpur.**

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

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

Please give full name of the Joint Holders.

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

#### NOTES:

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

TEAR HERE



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

### FORM No. MGT-11

### PROXY FORM

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

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

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

1.	Name :	
	Address :	
	E-mail Id :	
	Signature :	

or failing him

2.	Name :	
	Address :	
	E-mail Id :	
	Signature :	

or failing him

3.	Name :	
	Address :	
	E-mail Id :	
	Signature :	

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on **Tuesday, 25th day of September, 2018 at 11:30 A.M. at Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave – 3, Kanpur** and at any adjournment thereof in respect of such resolutions as are indicated below :

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

Resolution No.	Resolutions	For	Against
<b>Ordinary Business</b>			
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2018 together with the Board of Reports of the Board of Directors' and Auditors' thereon.		
2.	To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2018 together with the Reports of the Auditors' thereon.		
3.	To declare Dividend for the aforesaid financial year.		
4.	To appoint a Director in place of Smt. Poonam Acharya (DIN : 07238992), who retires by rotation and being eligible, offers herself for re-appointment.		

Signed this .....day of ..... 2018

\_\_\_\_\_  
Signature of Shareholder

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of 1st Proxy holder

\_\_\_\_\_  
Signature of 2nd Proxy holder

\_\_\_\_\_  
Signature of 3rd Proxy holder

**Note :**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.
- 2.\*\* This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
4. In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.
5. For the resolution and notes please refer to the Notice of the 34th Annual General Meeting.