

Ref. No.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KPL EXPORTS PVT LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of KPL Exports Pvt Limited (hereinafter referred to as the Holding Company/ Company) and its subsidiaries/ associates (the Holding Company and its subsidiaries/associates together referred to as the Group'), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the consolidated financial statements).

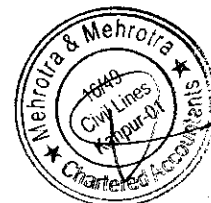
Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated 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 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 as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary/ associate companies incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.



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f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in Annexure A, which is based on the auditors' reports of the Holding company and its subsidiary/ associate companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary/associate companies incorporated in India internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group does not have any pending litigations which would impact its financial position.

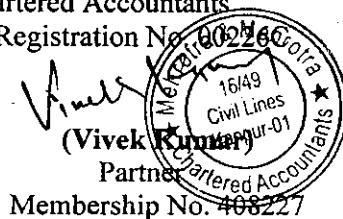
ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary/ associate companies incorporated in India.

For MEHROTRA & MEHROTRA

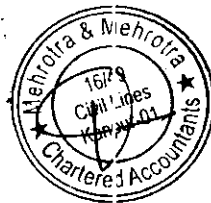
Chartered Accountants

Firm's Registration No. 408227



Membership No. 408227

Place: Kanpur
Date : 22nd May, 2017



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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated Ind AS financial statements of KPL Exports Pvt Limited (hereinafter referred to as the Holding Company/the Company) as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Company and its subsidiary/ associate 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/ associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary/ associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Place: Kanpur
Date : 22nd May, 2017



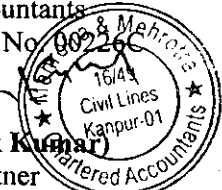
For MEHROTRA & MEHROTRA

Chartered Accountants

Firm's Registration No. 00226

(Vivek Kumar)
Partner

Membership No. 408227



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

PARTICULARS	NOTE	Amount in Rs.		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
I. ASSETS				
(1) Non-Current Assets				
Property, Plant and Equipment	2	76181371.32	52132367.84	55345928.14
Investment Property	3	120978510.00	220978510.00	220978510.00
Goodwill		57876905.65	57876905.65	57876905.65
(2) Current Assets				
Inventories	4	1813514.11	56656388.88	38745867.91
Financial assets				
Investments	5	3177982300.39	6105799991.74	5249110646.23
Trade Receivables	6	4371756949.22	3467282630.75	5460265885.00
Cash and Cash Equivalents	7	159330221.25	460316320.47	19394063.45
Other Financial Assets	8	312600675.02	322600229.02	298865204.84
Current Tax Assets (Net)	9	66513924.78	39876429.41	19788406.63
TOTAL ASSETS		8445034371.74	10783519773.76	11420371417.85
II. EQUITY & LIABILITIES				
(1) Equity				
Equity Share capital	10	60000000.00	60000000.00	20000000.00
(2) Other Equity				
Reserves & Surplus	11	1788961835.97	1668892971.58	520218211.13
Non Controlling Interests		1511004.24	1511004.24	1511004.24
(3) Non-current liabilities				
Deferred Tax Liabilities (Net)	12	512364.97	3277123.00	1974317.81
(4) Current Liabilities				
Financial Liabilities				
Borrowings	13	992181397.56	3474969761.94	2155546032.67
Trade Payables	14	4223791528.00	5567013510.00	5992868882.00
Other Current Liabilities	15	1373464964.00	7855403.00	2728252970.00
TOTAL EQUITY & LIABILITY		8445034371.74	10783519773.76	11420371417.85
Significant Accounting Policies	1			
Notes are an integral part of the financial	2-31			

AS PER OUR REPORT OF EVEN DATE ATTACHED HERETO.

For MEHROTRA & MEHROTRA

Firm Regn No. 008726C

CHARTERED ACCOUNTANTS

16149

Civil Lines

Kanpur-01

(VIVEK KUMAR)

Partner

Membership No. 408227

Place: Kanpur

Date: 22nd May, 2017

For and on behalf of the Board


(DEEPAK KOTHARI)
Director

(MITESH KOTHARI)
Director

(ANKITA BANSAL)
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	NOTE	Amount in Rs.	
		Year Ended 31-March 2017	Year Ended 31-March 2016
I. Revenue from Operations			
Revenue from operations	16	9596131302.23	11328367354.61
Other income	17	126277.77	0.00
Total Income		9596257580.00	11328367354.61
II. Expenses			
Cost of materials consumed	18	8322958.38	1561779.96
Purchase of stock-in-trade	19	9050914234.00	10722156140.04
Changes in inventories	20	53994859.24	-16592205.97
Employee benefit expense	21	7195971.00	5962777.00
Depreciation and amortisation expense	2 & 3	5055378.84	3213560.30
Other Expenses	22	72951613.85	226401643.08
Finance Cost	23	211921997.46	155836266.99
Total Expenses		9410357012.77	11098539961.40
III. Profit before Exceptional Items & Tax		185900567.23	229827393.21
Exceptional Items		0.00	0.00
IV. Profit/(Loss) before Tax		185900567.23	229827393.21
Income Tax Expense			
Current tax		63300000.00	80000000.00
Deferred tax		1846518.97	1302805.19
Excess Provision of Income Tax for Earlier Year (Net)		685183.87	-150172.43
V. PROFIT/(LOSS) FOR THE YEAR		120068864.39	148674760.45
VI. Other Comprehensive Income			
A. Items that may be reclassified to profit or loss			
Income Tax relating to these items		0.00	0.00
B. Items that will not be reclassified to profit or loss			
Income Tax relating to these items		0.00	0.00
Other Comprehensive Income for the Year (Net of Tax)		0.00	0.00
VII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		120068864.39	148674760.45
VIII. Earnings per Share			
Basic EPS		20.01	24.78
Diluted EPS		20.01	24.78
Significant Accounting Policies	1		
Notes are an integral part of the financial statements.	2-31		

AS PER OUR REPORT OF EVEN DATE ATTACHED HERETO.

For MEHROTRA & MEHROTRA

Firm Regn NO. 00022

CHARTERED ACCOUNTANTS

Vivek

 (VIVEK KUMAR)
 Partner
 Membership No. 408227

For and on behalf of the Board

Deepak Kothari *Mitesh Kothari* *Ankita Bansal*
 (DEEPAK KOTHARI) (MITESH KOTHARI) (ANKITA BANSAL)
 Director Director Company Secretary

Place: Kanpur

Date : 22nd May, 2017

Note:1 SIGNIFICANT ACCOUNTING POLICIES**1.1. STATEMENT OF COMPLIANCE:**

The Financial statements have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"). Up to the year ended 31 March, 2016, The Company prepared its financial statements in accordance with generally accepted accounting principles in India, including accounting standards read with Section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015.

1.2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**A. SYSTEM OF ACCOUNTING :**

The Financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with Indian Accounting Standards (Ind AS).

B. 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.

1.3. LEASE ACCOUNTING :

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

1. PROPERTY, PLANT AND EQUIPMENT (PPE)

Property plant and equipments are stated at cost, comprising of purchase price, duty, levies and any direct attributable cost of bringing the assets to their working condition for the intended use. Depreciation is provided according to straight line method on the basis of useful lives of the assets as prescribed by the Schedule II to the Companies Act, 2013 and Provision for impairment loss is recognised to the extent by which the carrying amount of an asset exceeds its recoverable amount.

1.5. INVENTORIES :

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

1.6. INVESTMENTS :

Investments are stated at cost except those investments which are to be stated at fair value as per Ind AS. 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. Profit or Loss on sale of investments is determined on a first-in-first-out (FIFO) basis.

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 the time proportion basis.

1.9. 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.

1.10. EARNING PER SHARE:

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

1.11. 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.

1.12. GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty about its realisation.



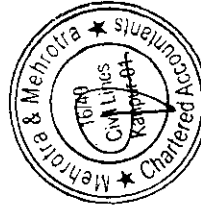
Note:2

The changes in the carrying value of property, plant and equipment for the year ended 31 March, 2017 are as follows:

PARTICULARS	BUILDING FACTORY(BUILDING OFFICE)	PLANT & MACHINERY	Motor Cars	Office Equipment	Computers	Furniture & Fixture	Leasehold Land	TOTAL
Gross carrying value as of April 1, 2016	13,005,226.00	49,214,532.91	1,349,277.00	479,665.00	583,920.00	350,856.00	22,000.00	65,005,476.91
Additions	-	29,104,382.32	-	-	-	-	-	29,104,382.32
Deletions/Transfer	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2017	13,005,226.00	78,318,915.23	1,349,277.00	479,665.00	583,920.00	350,856.00	22,000.00	94,109,859.23
Accumulated Depreciation as of April 1, 2016	1,230,077.00	9,919,861.82	487,905.05	428,800.51	493,404.67	313,060.02	-	12,873,109.07
Depreciation for the year	183,350.00	4,666,704.46	160,226.65	9,874.27	32,854.17	2,369.29	-	5,055,378.84
Deduction / adjustments during the period	-	-	-	-	-	-	-	-
Accumulated Depreciation as of March 31, 2017	1,413,427.00	14,586,566.28	648,131.70	438,674.78	526,258.84	315,429.31	-	17,928,487.91
Carrying value as of March 31, 2017	11,591,799.00	63,732,348.95	701,145.30	40,990.22	57,661.16	35,426.69	22,000.00	76,181,371.32
Carrying value as of March 31, 2016	11,775,149.00	39,294,671.09	861,371.95	50,864.49	90,515.33	37,795.98	22,000.00	52,132,367.84

The changes in the carrying value of property, plant and equipment for the year ended 31 March, 2016 are as follows:

PARTICULARS	BUILDING FACTORY(BUILDING OFFICE)	PLANT & MACHINERY	Motor Cars	Office Equipment	Computers	Furniture & Fixture	Leasehold Land	TOTAL
Gross carrying value as of April 1, 2015	13,005,226.00	49,214,532.91	1,349,277.00	479,665.00	583,920.00	350,856.00	22,000.00	65,005,476.91
Additions	-	-	-	-	-	-	-	-
Deletions/Transfer	-	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2016	13,005,226.00	49,214,532.91	1,349,277.00	479,665.00	583,920.00	350,856.00	22,000.00	65,005,476.91
Accumulated Depreciation as of April 1, 2015	1,046,727.00	7,096,434.91	327,678.40	417,990.84	460,550.50	310,167.12	-	9,659,548.77
Depreciation for the year	183,350.00	2,823,426.91	160,226.65	10,809.67	32,854.17	2,892.90	-	3,213,560.30
Deduction / adjustments during the period	-	-	-	-	-	-	-	-
Accumulated Depreciation as of March 31, 2016	1,230,077.00	9,919,861.82	487,905.05	428,800.51	493,404.67	313,060.02	-	12,873,109.07
Carrying value as of March 31, 2016	11,775,149.00	39,294,671.09	861,371.95	50,864.49	90,515.33	37,795.98	22,000.00	52,132,367.84
Carrying value as of March 31, 2015	11,958,499.00	42,118,098.00	1,021,598.60	61,674.16	123,369.50	40,688.88	22,000.00	55,345,928.14



Note:3			
Investment Property			
PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
<u>Gross Amount</u>			
Opening			
Depreciable Investment Property	-	-	-
Other Investment Property	220,978,510.00	220,978,510.00	189,014,140.00
Additions (Depreciable)	-	-	-
Additions (Non Depreciable)	-	-	47,744,370.00
Deletion/ Transfer (Non Depreciable)	-	-	15,780,000.00
Closing	220,978,510.00	220,978,510.00	220,978,510.00
<u>Accumulated Depreciation</u>			
Opening	-	-	-
For the year	-	-	-
Closing	-	-	-
Net Carrying Amount	220,978,510.00	220,978,510.00	220,978,510.00



Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:4	Inventories - (At cost on FIFO basis or net realisable Value whichever is lower, as certified by the management)			
	Raw Material	470299.47	1318315.00	0.00
	Trading Items	0.00	54197264.20	36740631.00
	Semi Finished Goods (Work-in-Progress)	147250.00	147250.00	147250.00
	Finished Goods	1195964.64	993559.68	1857986.91
	TOTAL	1813514.11	56656388.88	38745867.91

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:5	Current Investment			
	Reliance Money Manager Fund-Growth Plan Growth Option of Rs.1000/- (At Market Value)	15126277.77	0.00	0.00
	Fixed Deposit Accounts (Including interest accrued but not due)*	3162856022.62	6105799991.74	5249110646.23
	TOTAL	3177982300.39	6105799991.74	5249110646.23

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

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:6	Trade Receivables (Current)			
	Unsecured Considered Good	4371756949.22	3467282630.75	5460265885.00
	TOTAL	4371756949.22	3467282630.75	5460265885.00

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:7	Cash & Cash Equivalent			
	Cash & Bank Balances:			
	(a) Cash in hand and in transit	594427.00	603943.00	607050.00
	(b) Balances with Scheduled Banks			
	- In Current Accounts & E F C Accounts	158735794.25	459712377.47	18787013.45
	TOTAL	159330221.25	460316320.47	19394063.45

The details of Specified Bank Notes and other denomination note held and transacted during the period from November 8, 2016 to December 30, 2016, as required by MCA notification G.S.R. 308(E) dated March 30, 2017 are given below:-

Particulars	Specified Bank Notes*	Other Denomination Notes	Total
Closing Cash-in Hand as on 08.11.2016	0	544864	544864
(+) Permitted Receipts	0	75561	75561
(-) Permitted Payments	0	16592	16592
(-) Amount Deposited in Banks	0	0	0
Closing Cash-in-Hand as on 30.12.2016	0	603833	603833

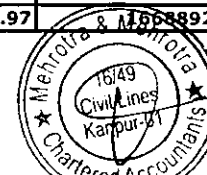
*The term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated 8th November, 2016.

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:8	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	312600675.02	322600229.02	298865204.84
	TOTAL	312600675.02	322600229.02	298865204.84

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:9	Current Tax Assets (Net)			
	Advance Income Tax and Tax Deducted at Source	287813924.78	268876429.41	228789106.63
	Less: Provision for Tax	221300000.00	229000000.00	209000700.00
	TOTAL	66513924.78	39876429.41	19788406.63

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:10	SHARE CAPITAL			
	AUTHORISED :			
	10000000 [10000000(2015-16), 2000000(2014-15)] Equity Shares of	10000000	10000000	20000000
	ISSUED, SUBSCRIBED AND PAID UP :			
	6000000 [6000000 (2015-16), 2000000(2014-15)] Equity Shares of	6000000	6000000	20000000
	TOTAL	6000000	6000000	20000000
10.1.	The company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each Holder of equity 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.			

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:11	Reserves and Surplus:			
	(a) Securities premium account			
	Opening balance	1000000000.00	0.00	0.00
	Add : Premium on shares issued during the year	0.00	1000000000.00	0.00
	Closing balance	1000000000.00	1000000000.00	0.00
	(b) Statement of Profit & Loss - As per account annexed			
	As per last Balance Sheet	668892971.58	520218211.13	372282593.14
	Add-Profit for the year	120068864.39	148674760.45	147935617.99
	Closing balance	788961835.97	668892971.58	520218211.13
	Total	1788961835.97	1668892971.58	520218211.13



Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:12	Deferred Tax Liabilities (Net)			
	Deferred Tax Liabilities			
	Arising Due to Time Difference between Books of Accounts and Income-tax Act, 1961	5123641.97	3277123.00	1974317.81
	TOTAL	5123641.97	3277123.00	1974317.81
	Component of Deferred Tax Liabilities (Net)			
	Property, Plant and Equipment	5079939.76	3277123.00	1974317.81
	Financial Assets	43702.21	0.00	0.00
	TOTAL	5123641.97	3277123.00	1974317.81

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:13	Borrowings			
13(a)(i)	Secured:			
	Overdraft against TDRs from Nationalised Banks	540394231.21	2095576305.59	681178916.67
	TOTAL	540394231.21	2095576305.59	681178916.67
	Description of the Security Given:			
	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 Rs.2550 lacs			
	Guarantees:			
	I. Personal Guarantee by the two directors of the Company.			
	II. Corporate Guarantees by the holding company & by two other Companies.			
13(a)(ii)	Default in terms of repayment of principal and interest- NIL			
	TOTAL			
13(a)(i)	Unsecured			
	From Holding Company	451626166.35	1379334456.35	1474367116.00
	From Directors	161000.00	59000.00	0.00
	TOTAL	451787166.35	1379393456.35	1474367116.00
	TOTAL	992181397.56	3474969761.94	2155546032.67

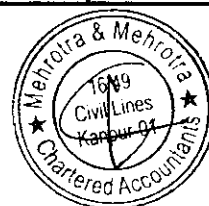
Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:14	Trade Payables			
	Trade Payables (including acceptances)	4223791528.00	5567013510.00	5992868882.00
	TOTAL	4223791528.00	5567013510.00	5992868882.00

Particulars		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Note:15	Other Current Liabilities			
	Advance Against Orders	1359748123.00	495243.00	2717095951.00
	Statutory Liabilities	8545097.00	2727481.00	10861365.00
	Outstanding Liabilities	5171744.00	4632679.00	295654.00
	TOTAL	1373464964.00	7855403.00	2728252970.00

Particulars		Year Ended 31-March 2017	Year Ended 31-March 2016
Note:16	Revenue from Operations		
	(a) Sales of Traded Goods	9263995270.00	10868320921.30
	(b) Sales	1354614.29	3161510.00
	(c) Other Operating Revenues		
	(i) Interest Earned on Bank Deposits held for Business Purposes & Other	303931739.29	456884923.31
	(ii) Net Gain on Foreign Currency Transactions and Translation	26849678.65	0.00
	TOTAL	9596131302.23	11328367354.61

Particulars		Year Ended 31-March 2017	Year Ended 31-March 2016
Note:17	Other Income		
	- Net Gain on Investments Carried at Fair Value through Profit & Loss	126277.77	0.00
	TOTAL	126277.77	0.00

Particulars		Year Ended 31-March 2017	Year Ended 31-March 2016
Note:18	Cost of Material Consumed		
	Opening Stock	1318315.00	0.00
	Add: Purchases	7474942.85	2880094.96
		8793257.85	2880094.96
	Less: Closing Stock	470299.47	1318315.00
	TOTAL	8322958.38	1561779.96



Particulars		Year Ended 31-March 2017	Year Ended 31-March 2016
Note:19	Purchases of Stock-in-Trade		
	Purchases of Traded Goods	9050914234.00	10722156140.04
	TOTAL	9050914234.00	10722156140.04

Particulars		Year Ended 31-March 2017	Year Ended 31-March 2016
Note:20	Increase (-) / Decrease (+) in inventories of Finished Goods, Work in Progress & Stock-in-trade		
	Opening Stock:		
	Trading Items	54197264.20	36740631.00
	Semi Finished Goods (Work-in-Progress)	147250.00	147250.00
	Finished goods	993559.68	1857986.91
		55338073.88	38745867.91
	Closing Stock		
	Trading Items	0.00	54197264.20
	Semi Finished Goods (Work-in-Progress)	147250.00	147250.00
	Finished goods	1195964.64	993559.68
		1343214.64	55338073.88
		53994859.24	-16592205.97

Particulars		Year Ended 31-March 2017	Year Ended 31-March 2016
Note:21	Employee Benefit Expenses		
	Salaries, Wages and Bonus	7195971.00	5962777.00
	TOTAL	7195971.00	5962777.00

Particulars		Year Ended 31-March 2017	Year Ended 31-March 2016
Note:22	Other Expenses		
	Manufacturing Expenses	289003.60	1494767.46
	Electricity Expenses	1045631.00	1105410.00
	CSR Expenses	4434621.00	4097415.00
	Bank Charges	35430729.55	36641571.11
	Freight Inward	607094.39	6842378.00
	Rent	1424700.00	1424245.00
	Rates & Taxes	33893.00	34132.00
	Net Loss on Foreign Currency Transactions and Translation	0.00	137523019.00
	Rapairs & Maintenance	219562.00	255263.00
	Selling & Distributions Expenses	0.00	28355837.00
	Miscellaneous Expenses	29281533.31	8590155.51
	Travelling & Conveyance	116896.00	4200.00
	Statutory Audit Fee	67950.00	33250.00
	TOTAL	72951613.85	226401643.08

Particulars		Year Ended 31-March 2017	Year Ended 31-March 2016
Note:23	Finance Cost		
	Interest Cost	211921997.46	155836266.99
	TOTAL	211921997.46	155836266.99

Particulars		As at 31 March 2017	As at 31 March 2016
Note:24	Contingent Liabilities:-		
	Corporate Guarantees issued by the Company	NIL	NIL

Note:25	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 :		
	- Holding Company:		
	- Kothari Products Limited		
	(ii) Summary of Transactions:		
	Particulars	Holding Company	
		For the year ended / As on	
		31.03.2017	31.03.2016
	On Account of Expense:-		
	1) Rent	61830.00	61504.00
	2) Interest on Loan	84785563.00	27129092.00
	3) Outstanding (Payable)	451626166.35	1379334456.35
	Note: Since no amount is considered as bad & doubtful, neither provision is made for the same nor amount written off.		

Note:26	The details regarding associate companies is as follows:	
	Name of Associates	Proportion of Ownership
	Raj Power Parts and Engineering Co Ltd	49.33%
	The above associate was consolidated on line by line basis.	



Note:27 (A) Forward Contracts (hedged) outstanding as at Balance Sheet date are as under -

Particulars of Derivatives	31.03.2017		31.03.2016		
	Derivative Contracts	Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees
Sell (Hedge of Export and other Receivables)	USD/INR	10689455	693089297	18693600	1240000659
	EURO/INR	0	0	0	0
Buy (Hedge of Import and other Payables)	USD/INR	14421850	935092563	3693600	245007199
	EURO/INR	0	0	0	0

Note:28 (B) Unhedged Foreign Currency Exposures as at Balance Sheet date are as under-

Particulars	31.03.2017		31.03.2016		
	Currency	Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	3597171	232320368	32275253	2140911130
	EURO	18089419	1252648851	0	0
Import and other Payables	USD	32442733	2103541388	79730844	5288778102
	EURO	36671420	2539407824	0	0

Note:28 There is no amount due to Micro Enterprises and Small Enterprises, based on the records and the information received from suppliers.

Note:29 In terms of Ind-AS 36 "Impairment of Assets", provision for impairment loss on assets for the year is not required.

Note:30 In terms of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets", there has been no provision on beginning and at the end of the year, therefore no disclosure requirements.

Note:31 The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of current year.

AS PER OUR REPORT OF EVEN DATE ATTACHED HERETO.
 For MEHROTRA & MEHROTRA Chartered Accountants
 Firm Regn No. 007348
 CHARTERED ACCOUNTANTS
 (MAYEK KUMAR)
 Partner
 Membership No. 4088
 Place: Kanpur
 Date: 22nd May, 2017



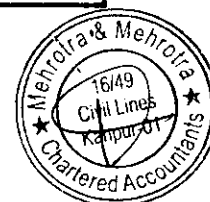
For and on behalf of the Board

(DEEPAK KOTHARI) Director
 (MITESH KOTHARI) Director
 (ANKITA BANSAL) Company Secretary

10.2	Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period	As at 31st March, 2017		As at 31st March, 2016		As at 1 April 2015	
		Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
	Equity Share of Rs.10/- each fully paid up:- Opening Balance	6000000	60000000	2000000	20000000	2000000	20000000
	Right Issue	0	0	4000000	40000000	-	-
	Closing Balance	6000000	60000000	6000000	60000000	2000000	20000000

10.3	Details of shares held by shareholders holding more than 5% shares	As at 31st March, 2017		As at 31st March, 2016		As at 1 April 2015	
		Number of shares held	holding %	Number of shares held	holding %	Number of shares held	holding %
	Class of shares/Name of shareholders Equity Share of Rs.10/- each fully paid up:- M/s Kothari Products Limited	6000000	100.00%	6000000	100.00%	2000000	100.00%

10.4	Details of shares held by the holding company	Number of Equity shares of Rs.10/- each fully paid up
	As at 31st March, 2017 Kothari Products Limited, the holding company	6000000
	As at 31st March, 2016 Kothari Products Limited, the holding company	6000000
	As at 1st April, 2015 Kothari Products Limited, the holding company	2000000



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

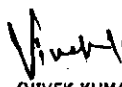
PARTICULARS	YEAR ENDED 31ST MARCH, 2017		YEAR ENDED 31ST MARCH, 2016	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax		185900567.23		229827393.21
Adjustments for				
- Depreciation	5055378.84		3213560.30	
- Finance Cost	211321997.46		155836266.99	
- Net Unrealised Forex Gain (-) / Loss	-74579506.00		-25480521.00	
- Net Gain on Investments Carried at Fair Value through Profit & Loss	-126277.77	142271592.53	0.00	133569306.29
Operating Profit before Working Capital Changes		328172159.76		363396699.50
Adjustments for:				
- Trade Receivables & Others	405998255.53		1930161682.07	
- Inventories	54342874.77		-17910520.97	
- Trade Payables & Others	-120350935.00	-742664804.70	-3081685870.00	-1169434708.90
Cash Generated from Operations		-414492644.94		-806038009.40
Net Income Tax Paid		-90622679.24		-99937850.35
Net Cash Flow from Operating Activities		-505115324.18		-905975859.75
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
- Purchase of Property, Plant and Equipment	-29104382.32		0.00	
- Purchase of Investments- Others	-15100000.00		-856689345.51	
- Sale of Investments- Others	2942943969.12	2898839586.80	0.00	-856689345.51
Net Cash flow from/(used in) Investing Activities		2898839586.80		-856689345.51
(C) CASH FLOW FROM FINANCING ACTIVITIES :				
- Secured Loans from Banks	-155582074.38		1414397388.92	
- Loans from Holding Co	-92708290.00		-95032659.65	
- Loans from Directors	102000.00		59000.00	
- Issuance of Share Capital	0.00		1040000000.00	
- Finance Cost	-211921997.46	-2694710361.84	-155836266.99	2203587462.28
Net Cash flow from/(used in) Financing Activities		-2694710361.84		2203587462.28
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)		-300986099.22		440922257.02
Cash & Cash Equivalents - Opening Balance		460316320.47		19394063.45
Cash & Cash Equivalents - Closing Balance		159330221.25		460316320.47

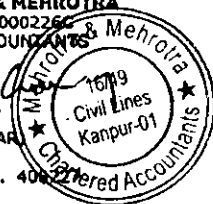
Note: The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of the current year.

AS PER OUR REPORT OF EVEN DATE ATTACHED HERETO.

For MEHROTRA & MEHROTRA

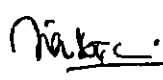
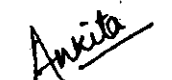
Firm Regn NO. 000226
CHARTERED ACCOUNTANTS


(VIVEK KUMAR)
Partner
Membership No. 40627



For and on behalf of the Board


(DEEPAK KOTHARI)
Director

 
(MITESH KOTHARI) (ANKITA BANSAL)
Director Company Secretary

Place: Kanpur
Date: 22nd May, 2017