

SUKHDHAM CONSTRUCTIONS & DEVELOPERS LTD.
REGD. ADDRESS : C/62, VIBGYOR TOWER, 9TH FLOOR
BANDRA KURLA COMPLEX
BANDRA EAST
MUMBAI - 400 051

CIN : U70100MH2003PLC138914

DIRECTORS' REPORT

TO THE MEMBERS:

The Board of Directors of your Company presents its Thirteenth Annual Report and Audited Accounts of the company for the financial year ended 31st March, 2015. ↘

FINANCIAL PERFORMANCE:

(Amount in Rs.)

	FINANCIAL YEAR ENDED 31.03.2015	FINANCIAL YEAR ENDED 31.03.2014
Revenue from operations (Rental Income)	6000000	6000000
Other Income	0	1026764
Profit before Taxation	6763263	4556990
Less : Depreciation	-1783079	1614710
Provision for Taxation:		
-Current Tax	1290000	1440000
-Deferred Tax	0	0
-Tax Adjustments for earlier years	74228	0
Profit after Tax	5399035	3116990
Add : Balance of Profit brought forward from previous year	22652364	19535375
Profit available for appropriation	28051399	22652364
APPROPRIATIONS		
Transfer to General Reserve	NIL	NIL
Balance of Profit carried forward	28051399	22652364

2014 IN RETROSPECT:

The Company's profit have increased to Rs. 5399035/- during the period under review as against the profit of Rs. 3116990/- during the previous year. The Directors are making all endeavors to give better performance in future.

DIVIDEND:

There being no profits during the year, the Directors are unable to recommend any dividend.

DIRECTORS :

Sri Mitesh Kotahri and Smt. Urvi Kothari, Directors of the Company, retire by rotation in the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Board recommends their reappointment.

Further, Sri Deepak Kothari & Smt. Arti Kothari have resigned from the directorship w.e.f. 10th March, 2015.

SHARE CAPITAL:

The entire share capital of the Company is held by Kothari Products Ltd. and accordingly the Company is wholly owned subsidiary of Kothari Products Ltd.

NUMBER OF THE BOARD MEETINGS:

There were Four Board Meetings held during the year under review.

DIRECTORS RESPONSIBILITY STATEMENT:

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

1. That in preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
2. That the Directors have selected such Accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year under review;
3. 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;
4. That the Directors have prepared the Annual Accounts for the year under review on a going concern basis.
5. 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.

LOANS GUARANTEES OR INVESTMENTS:

There are no loans, guarantees given or investments made in the Company during the year under review.

DEPOSITS:

The company has not accepted any deposits hence particulars relating to aforesaid are not applicable.

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

The information under these headings is Nil.

AUDITORS & AUDITORS' REPORT:

M/s Mehrotra & Mehrotra, Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for reappointment. There are no qualifications or adverse remarks in the Auditor's Report which call for explanation by the Directors.

PARTICULARS OF EMPLOYEES:

There are no employees who were in receipt of remuneration as specified in Sec. 197(12) of the Companies Act, 2013.

MATERIAL CHANGES & COMMITMENTS AFFECTING FINANCIAL POSITION:

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

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 to ensure proper recording of financial & operational information and compliance of various statutory compliances.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

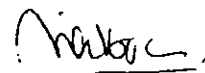
There are no significant, material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.

ACKNOWLEDGEMENT:

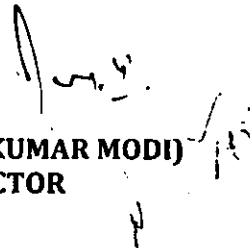
Your Directors wish to place on record their appreciation for the co-operation and support extended by various Government Departments, Bankers etc..

By order of the Board
For **SUKHDHAM CONSTRUCTIONS & DEVELOPERS LTD.**

Place: Kanpur
Date: 26.05.2015



(MITESH KOTHARI)
DIRECTOR



(VIJAY KUMAR MODI)
DIRECTOR

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

as on financial year ended on **31.03.2015**
Pursuant to **Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.**

I REGISTRATION & OTHER DETAILS:

i	CIN	U70100MH2003PLC138914
ii	Registration Date	29.01.2003
iii	Name of the Company	SUKHDHAM CONSTRUCTIONS AND DEVELOPERS LTD.
iv	Category/Sub-category of the Company Address of the Registered office & contact details	PUBLIC COMPANY LIMITED BY SHARES C/62, VIRGYOR TOWER, 9TH FLOOR, BANDRA KURLA COMPLEX, BANDRA EAST MUMBAI-400051 PH : (022) - 43119000 & FAX NO. : (022) - 43119090 E-MAIL : rk Gupta@kothariproducs.in,
v	Whether listed company	NO
vi	Name , Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

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	RENTAL INCOME		100.00%
2			

3		
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III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	KOTIARI PRODUCTS LTD. "PAN PARAG HOUSE" 24/19, THE MALL, KANPUR - 208001	L16008UP1983PLC06254	HOLDING	99%	2(46)

d) State Govt.	-	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-	-
g) FII/IS	-	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-	-	-
(2) Non Institutions	-	-	-	-	-	-	-	-	-	-	-
a) Bodies corporates	-	-	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-	-
NRI	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	100000	100000	100	-	100000	100000	100	-	-	-

* THESE SHARES ARE HELD AS NOMINEE OF KOTHARI PRODUCTS LTD.

(ii) SHARE HOLDING 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	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares			
1	Sri Deepak Kothari *	200	0.200	-	200	0.200	-	-	-	
2	Sri Mitesh Kothari *	100	0.100	-	100	0.100	-	-	-	
3	Smt. Arti Kothari *	100	0.100	-	100	0.100	-	-	-	
4	Smt. Urvi Kothari *	100	0.100	-	100	0.100	-	-	-	
5	M/s. Kothari Products Ltd.	99300	99.300	-	99300	99.300	-	-	-	
6	M/s. Dham Securities Pvt. Ltd. *	100	0.100	-	100	0.100	-	-	-	
7	M/s. Pan Parag India Ltd. *	100	0.100	-	100	0.100	-	-	-	
	TOTAL	100000	100.000	-	100000	100.000	-	-	-	
	* THESE SHARES ARE HELD AS NOMINEES OF KOTHARI PRODUCTS LTD.									

(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	
	NOT APPLICABLE					

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name of top Ten shareholders at the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase/Decrease (Remarks if any)
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	
	NOT APPLICABLE					

(v)

Shareholding of Directors

Sl. No.	Name of Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Sri Deepak Kothari *	200	0.2	-	-	200	0.2
2	Sri Arti Kothari *	100	0.1	-	-	100	0.1
3	Sri Mitesh Kothari	100	0.1	-	-	100	0.1
4	Smt. Urvi Kothari	100	0.1	-	-	100	0.1

* Resigned from directorship w.e.f. 10.03.2015

V **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year		72,138,848.35		72,138,848.35
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total [(i)+(ii)+(iii)]		72,138,848.35		72,138,848.35
Change in Indebtedness during the financial year				
Additions				
Reduction		5,895,833.00	-	5,895,833.00
Net Change				
Indebtedness at the end of the financial year		66,243,015.35		66,243,015.35
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total [(i)+(ii)+(iii)]		66,243,015.35		66,243,015.35

VI **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

NIL

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

(Amt. in Rs.)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount (in Rs.)
1	Gross salary		

	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.				
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock option				
3	Sweat Equity				
4	Commission				
	as 3% of profit				
	others (specify)				
5	Others, please specify				
	Gratuity				
	Total (A)				

B. Remuneration to other directors: NIL

Sl.No	Particulars of Remuneration	Name of the Directors	Total Amount
1	Independent Directors		
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c) Others, please specify		
	Total (1)		
2	Other Non Executive Directors		
	(a) Fee for attending board committee meetings		
	(b) Commission		
	(c) Others, please specify.		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel

1	Gross Salary	NOT APPLICABLE		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.			
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	as % of profit			
	others, specify			
5	Others, please specify			
	Total			

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

NIL

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

For and on behalf of the Board



Mitesh Kothari
Director

PLACE: KANPUR
DATE: 26TH MAY, 2015



Vijay Kumar Modi
Director

Ref. No.

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Sukhdham Constructions & Developers Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Ref. No.

Opinion

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

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

Report on Other legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) in our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books.
 - (c) The Balance sheet, the Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - (d) in our opinion, Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rule, 2014.



Ref. No.

- (e) On the basis of the written representations received from the directors as on 31st March, 2015 and taken on records by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of sub-section (2) of Section 164 of the Act

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

Vivek Kumar


(Vivek Kumar)
PARTNER
Membership No. 408227

Place: Kanpur
Date : 26th May, 2015

Ref. No.

ANNEXURE TO THE INDEPENDENT AUDITORS'S REPORT

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

- (i) In respect of its fixed assets:
- (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) According to the information and explanations given to us, these fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- (ii) Reporting under clause 3(ii) of the order is not applicable to the Company.
- (iii) In respect of Loans & Advances:
- (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (b) Not applicable to the Company.
 - (c) Not applicable to the Company.
 - (d) Not applicable to the Company.
 - (e) The Company has taken loans from its holding company. In respect of this loan the maximum amount outstanding during the year was Rs.672 Lacs and year end outstanding was Rs.672 lacs. The terms and other conditions of the said loans were not prima facie prejudicial to the interest of the company.



Ref. No.

- (f) The rate of interest and other terms and conditions are not prejudicial to the interest of the company.
- (g) The principal and interest are payable on demand and there is no repayment schedule.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of stocks and fixed assets, for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) The Company has not accepted any deposits from the public. Therefore, reporting under clause 3(v) of the Companies (Auditors' Report) Order, 2015 is not applicable to the Company.
- (vi) The maintenance of cost records as prescribed by the Central Government under sub-section (1) of section 148 of the Act are not applicable to the Company.
- (vii) In respect of statutory dues:
 - (a) According to the information & explanations given by the management, the company has not incurred any liability of statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax / Value Added Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues.
 - (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income-tax, Wealth-tax, Service-tax, Sales-tax, Custom duty, Excise Duty and Cess as at 31st March, 2015 which were outstanding for a period of more than six months from the date they became payable.
- (viii) Company does not have any accumulated losses and it has not incurred cash losses during the financial year and immediately preceding financial year.
- (ix) As per information and explanations given by the management, in our opinion the Company has not defaulted in repayment of loan taken from financial institutions or banks.
- (x) The Company has not given guarantees for loans taken from banks and financial institutions by others.
- (xi) The Company has not taken any term loan during the year.



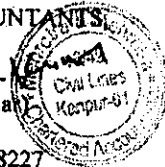
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(xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Vivek Kumar
(Vivek Kumar)
PARTNER

Membership No. 408227



Place: Kanpur
Date : 26th May, 2015

SUKHDHAM CONSTRUCTIONS & DEVELOPERS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2015

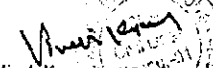
PARTICULARS	NOTE	Amount in Rs.	
		As at 31 March 2015	As at 31 March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	1000000.00	1000000.00
(b) Reserves and Surplus	3	28051399.38	22652364.44
(2) Current Liabilities			
(a) Short Term Borrowings	4	66243015.35	72138848.35
(b) Other Current Liabilities	5	6718.00	319735.00
(c) Short Term Provisions	6	4730000.00	4390000.00
Total		100031132.73	100500947.79
II. ASSETS			
(1) Non-current Assets			
Fixed Assets			
- Tangible Assets	7	94386963.85	92603884.55
(2) Current Assets			
(a) Trade Receivables	8	0.00	2077854.00
(b) Cash and Cash Equivalents	9	145506.48	448870.84
(c) Short Term Loans and Advances	10	5498862.40	5370538.40
Total		100031132.73	100500947.79
Significant Accounting Policies	1		
Notes are an integral part of the financial statements.	2-20		

AS PER OUR REPORT OF EVEN DATE ATTACHED

For MEHROTRA & MEHROTRA

Firm Regn NO. 000226C

CHARTERED ACCOUNTANTS


(Vivek Kumar)
Partner
Membership No. 408227

For and on behalf of the Board


(MITESH KOTHARI)
Director


(VIJAY KUMAR MODI)
Director

Place: Kanpur

Date: 26th May, 2015

SUKHDHAM CONSTRUCTIONS & DEVELOPERS LIMITED

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

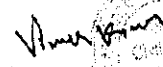
PARTICULARS	NOTE	Amount In Rs.	
		Year Ended 31-March 2015	Year Ended 31-March 2014
I. REVENUE FROM OPERATIONS :			
Revenue From Operations	11	6000000.00	6000000.00
Other Income	12	0.00	1026764.22
Total Revenue		6000000.00	7026764.22
II. EXPENSES :			
Depreciation	7	-1783079.30	1614709.82
Other Expenses	13	1019816.36	855064.75
Total Expenses		-763262.94	2469774.57
III. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		6763262.94	4556989.65
(There is no discontinuing operation)			
Less : Tax Expenses :			
Current Tax		1290000.00	1440000.00
Excess/Short Provision of Income Tax for earlier years(net)		74228.00	0.00
IV. PROFIT FOR THE YEAR		5399034.94	3116989.65
V. BASIC & DILUTED EARNING PER SHARE (in Rs.)			
(a) Basic		53.99	31.17
(b) Diluted		53.99	31.17
Significant Accounting Policies	1		
Notes are an integral part of the financial statements.	2-20		

AS PER OUR REPORT OF EVEN DATE ATTACHED

For MEHROTRA & MEHROTRA

Firm Regn NO. 000226C

CHARTERED ACCOUNTANTS


(Vivek Kumar)
Partner
Membership No. 408227

Place: Kanpur

Date : 26th May, 2015

For and on behalf of the Board


(MITESH KOTHARI)
Director


(VIJAY KUMAR MODI)
Director

1.1 SIGNIFICANT ACCOUNTING POLICIES

1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

A. SYSTEM OF ACCOUNTING :

The Financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 2013

B. USE OF ESTIMATES :

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of income and expenses during the period.

1.2. FIXED ASSETS AND DEPRECIATION

All fixed assets are stated at cost, comprising of purchase price, duty, levies and any direct attributable cost of bringing the assets to their working condition for the intended use. Depreciation is provided according to straight line method on the basis of useful lives of the assets as prescribed by the Schedule II to the Companies Act, 2013.

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 Profit & Loss Account as Rent.
- (iii) The cancellable lease agreements are usually renewable by mutual consent at mutually agreeable terms.
- (iv) The aggregate lease rentals receivable for the year is credited to the profit & loss as Rental Income.

1.4. INVESTMENTS :

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

1.5. 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.

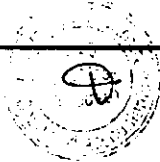
1.6. EARNING PER SHARE:

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.

1.7. 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.

Particulars		As at 31 March 2015	As at 31 March 2014
Note:2	SHARE CAPITAL		
	AUTHORISED :		
	1000000 Equity Shares of Rs. 10/- each	1000000.00	1000000.00
	ISSUED, SUBSCRIBED AND PAID UP :		
	100000 Equity Shares of Rs. 10/- each fully paid up	1000000.00	1000000.00
		1000000.00	1000000.00



2.2	Reconciliation of the number of shares and amount outstanding at the beginning and at the end of reporting period	As at 31st March, 2015		As at 31st March, 2014	
		Number of shares	Amount	Number of shares	Amount
	Equity Share of Rs.10/- each fully paid up:-				
	Opening Balance	100000	1,000,000	100000	1,000,000
	Closing Balance	100000	1000000.00	100000	1000000.00

2.3	Details of shares held by shareholders holding more than 5% shares	As at 31st March, 2015		As at 31st March, 2014	
		Number of shares held	holding %	Number of shares held	holding %
	Equity Share of Rs.10/- each fully paid up:-				
	M/s Kothari Products Limited	100000	100.00%	100000	100.00%

2.4	Details of shares held by the holding company	Number of Equity shares of Rs.10/- each fully paid up
	As at 31st March, 2015	
	Kothari Products Limited, the holding company	100000
	As at 31st March, 2014	
	Kothari Products Limited, the holding company	100000



Particulars		As at 31 March 2015	As at 31 March 2014
Note:3	Reserves and Surplus:		
	Profit & Loss Account - As per account annexed		
	As per last Balance Sheet	22652364.44	19535374.79
	Add-Profit for the year	5399034.94	3116989.65
	Closing balance	28051399.38	22652364.44
Particulars		As at 31 March 2015	As at 31 March 2014
Note:4	Short Term Borrowings		
	<u>Unsecured</u>		
	Loans and Advances from Related Parties		
	From Holding Company	66243015.35	72138848.35
	TOTAL	66243015.35	72138848.35
Particulars		As at 31 March 2015	As at 31 March 2014
Note:5	Other Current Liabilities		
	Creditors for Expenses	1100.00	318364.00
	Outstanding Liabilities	5618.00	3371.00
	TOTAL	6718.00	319735.00
Particulars		As at 31 March 2015	As at 31 March 2014
Note:6	Short Term Provisions		
	Provision for Taxation	4730000.00	4390000.00
	TOTAL	4730000.00	4390000.00
Particulars		As at 31 March 2015	As at 31 March 2014
Note:8	Trade Receivables (Unsecured Considered good)		
	Other debts -Kothan Products Limited	0.00	2077854.00
	TOTAL	0.00	2077854.00
Particulars		As at 31 March 2015	As at 31 March 2014
Note:9	Cash & Cash Equivalent		
	Cash & Bank Balances:		
	Balances with Scheduled Banks	145506.48	448670.84
	TOTAL	145506.48	448670.84
Particulars		As at 31 March 2015	As at 31 March 2014
Note:10	Short Term Loans and Advances (Unsecured Considered Good)		
	Advance Income Tax and Tax Deducted at Source	5498662.40	5202100.40
	Other Loans & Advances		
	-Advance recoverable in cash or in kind or for value to be received or pending adjustments	0.00	168438.00
	TOTAL	5498662.40	5370538.40
Particulars		Year Ended 31-March 2015	Year Ended 31-March 2014
Note:11	Revenue from Operations		
	Rental Income	6000000.00	6000000.00
	TOTAL	6000000.00	6000000.00
Particulars		Year Ended 31-March 2015	Year Ended 31-March 2014
Note:12	Other Income		
	Interest Earned on Bank Deposits	0.00	1026764.22
	TOTAL	0.00	1026764.22

Particulars		Year Ended 31-March 2015	Year Ended 31-March 2014
Note:13	Other Expenses		
	Bank Charges	112.36	786.52
	Property Tax	1000379.00	812940.00
	Rent Exp	6741.00	1741.00
	Licence & Legal Expenses	3600.00	17653.23
	Interest on TDS	36.00	2251.00
	Miscellaneous Expenses	1686.00	62.00
	Printing & Stationery Exp	1644.00	948.00
	Repair & Maint	0.00	15312.00
	Statutory Audit Fee	5818.00	3371.00
	TOTAL	1019816.36	855064.75

Particulars		For the year ended 31.03.2015	For the year ended 31.03.2014
Note:14	Payments to Auditors As Auditors	5818.00	3371.00
Note:15	Payments to Directors	NIL	NIL

Note:16 Related Party Disclosures in accordance with the Accounting Standards (AS-18) 'Related Party Disclosure', issued by the Institute of Chartered Accountants of India are as under:

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

(A) Key Managerial Personnel & their Relatives:

(a) Shri Deepak Kothari	(e) Smt. Anji Kothari
(b) Shri Mitesh Kothari - Director	(f) Shri Vijay Kumar Modi- Director
(c) Mitesh Kothari HUF	(g) Shri Pramod Kumar Tandon- Director
(d) Smt. Urvi Kothari- Director	

(B) Holding Company:
Kothari Products Limited

(ii) Summary of Transactions:

Particulars	Holding Company	
	For the year ended / As on	
	31.03.2015	31.03.2014
On Account of Income - Rent	6000000.00	6000000.00
Outstanding (Payable)	66243015.35	72138848.35
Outstanding (Receivable)	0.00	2077854.00

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

Note:17 There is no deferred tax liability or assets, hence no requirement for any provision.

Note:18 In terms of Accounting Standard 28 "Impairment of Assets" Issued by the Institute of Chartered Accountants of India, provision for impairment loss on assets for the year is not required.

Note:19 In terms of Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets" Issued by the Institute of Chartered Accountants of India, there has been no Provision on beginning and at the end of the year, therefore no disclosure requirements.


Note:20 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

For MEHROTRA & MEHROTRA
Firm Regn NO. 000226C

For and on behalf of the Board

CHARTERED ACCOUNTANTS


(Vivek Kumar)
Partner
Membership No. 40822


(MITESH KOTIARI)
Director


(VIJAY KUMAR MODI)
Director

Place: Kanpur
Date: 26th May, 2015

7 FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.03.14	Additions	Transfer	As at 31.03.15	Upto 31.03.14	For the year	Adjustment	Upto 31.03.15	As at 31.03.15	As at 31.03.14
Tangible Assets										
Fixed	99061952.00	0.00	0.00	99061952.00	6458067.45	1783079.30	0.00	4674988.15	94386983.85	92803884.55
TOTAL	99061952.00	0.00	0.00	99061952.00	6458067.45	1783079.30	0.00	4674988.15	94386983.85	92803884.55
PREVIOUS YEAR	97138505.00	1923447.00	0.00	99061952.00	4843357.63	1614709.82	0.00	6458067.45	92603884.55	



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

PARTICULARS	YEAR ENDED 31ST MARCH, 2015		YEAR ENDED 31ST MARCH, 2014	
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax		6763262.94		4556989.65
Adjustments for				
- Depreciation	-1783079.30		1614709.82	
- Interest Income	0.00	-1783079.30	-1026764.22	587945.60
Operating Profit before Working Capital Changes		4980183.64		5144935.25
Adjustments for				
- Trade Receivables & Others	2246292.00		-1762695.00	
- Trade Payables & Others	-313017.00	1933275.00	-302320.00	-2065015.00
Cash Generated from Operations		6913458.64		3079920.25
Net Income Tax Paid		-1320790.00		-1502676.42
Net Cash Flow from Operating Activities		5592668.64		1577243.83
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
- Purchase of Fixed Assets	0.00		-1923447.00	
- Interest Received	0.00	0.00	1026764.22	-896682.78
Net Cash flow from/(used in) Investing Activities		0.00		-896682.78
(C) CASH FLOW FROM FINANCING ACTIVITIES :				
- Loans from Holding Company	-5895833.00	-5895833.00	-25400446.77	-25400446.77
Net Cash flow from/(used in) Financing Activities		-5895833.00		-25400446.77
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)		-303164.36		-24719885.72
Cash & Cash Equivalents - Opening Balance		448670.84		25168556.56
Cash & Cash Equivalents - Closing Balance		145506.48		448670.84

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

For MEHROTRA & MEHROTRA

Firm Regn NO. 000226C

CHARTERED ACCOUNTANTS


(Vivek Kumar)
Partner

Membership No. 408227

For and on behalf of the Board


(MITESH KOTHARI)
Director


(VIJAY KUMAR MODI)
Director

Place: Kanpur

Date: 26th May, 2015