

27th ANNUAL REPORT 2010-2011



KOTHARI
PRODUCTS LIMITED

Soaring new heights of Growth and Excellence

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Cautionary Statement

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

BOARD OF DIRECTORS

Chairman & Managing Director

DEEPAK KOTHARI

Executive Director

MITESH KOTHARI

Directors

DR. AVINASH GUPTA
PRAMOD KUMAR TANDON
VIKAS CHATURVEDI

Company Secretary

RAJ KUMAR GUPTA

AUDITORS

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

REGISTERED OFFICE & SECRETARIAL DEPARTMENT

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

INVESTORS' GRIEVANCE E-MAIL ID

rkgupta@kothariproducts.in

AUDIT COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DEEPAK KOTHARI
DR. AVINASH GUPTA
VIKAS CHATURVEDI

SHAREOWNERS'/INVESTORS' GRIEVANCE COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DEEPAK KOTHARI
MITESH KOTHARI
DR. AVINASH GUPTA

REMUNERATION COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DR. AVINASH GUPTA
VIKAS CHATURVEDI



M.M. KOTHARI
Our Founder Chairman



“We are now gearing up for the next phase of growth through a combination of our own initiatives and forging new partnerships and quite confident of the future and see sustained robust growth on the horizon.”

CMD's Communique

Dear Fellow Shareowners,

In the last communiqué, in the year 2010, I pondered upon the history & foundation of the Company and had put my vision, objectives and shared about the business opportunities that were before us.

I shared with you our vision of venturing into the vibrant sectors of the economy including International Trade. With a sense of satisfaction and pleasure I can share that International Trade has contributed significantly towards the growth of your company registering phenomenal increase in the turnover.

Encouraged by the results yielded from this venture, our chalked out plans are in place to expand vertically and laterally with full vigour and zeal.

Infrastructure/ real estate sector although performing better than the couple of earlier years, is however, yet to accelerate to achieve the rate of growth witnessed in the recent past. Our focus is continuing in this sector and I am confident about its re-bounce to the glory soon.

The opportunities are many and we are quite focused to seize them. Although they bring risks BUT risks bring rewards. Managing risks is challenging looking to the complexities of the businesses but our approach is cautious and supported by a team of motivated professionals to manage such risks.

Government is combating with high inflation successfully although some of the measures taken by RBI recently to curb rampant inflation may affect the growth of the economy due to increase in interest rates on borrowings.

Recognising the Human Resource as the most intelligent raw material in the business cycle, we are focusing on developing their capabilities. Our HR team has undertaken various development initiatives to enhance the skill - sets of the employees.

We are now gearing up for the next phase of growth through a combination of our own initiatives and forging new partnerships and quite confident of the future and see sustained robust growth on the horizon. The following maxim inspires me the most to move ahead despite hiccups & adversities :

“When things seem difficult and life uphill,
do not look far ahead, Keep plodding on.
And inch by inch, the road will shorten till,
the roughest patches will be past and bygone
and you will look back surprised and cheered
to find that you have left so many miles behind
and very soon the tedious climb will stop.
And you will stand triumphant at the top”.

“anonymous”

Finally, I take this opportunity to express my gratitude to all our stakeholders namely you shareowners, business partners & banks for unrelenting support, employees for their dedication and hard work which made us proud by yet another exemplary financial results of record breaking turnover and dividend declaration.

With warm regards,

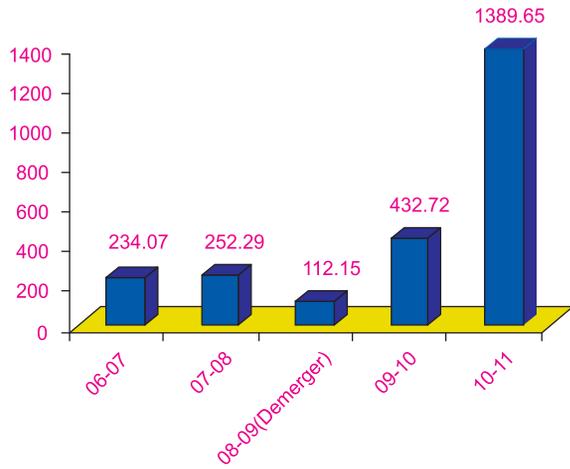
Truly,



Deepak Kothari
Chairman and Managing Director

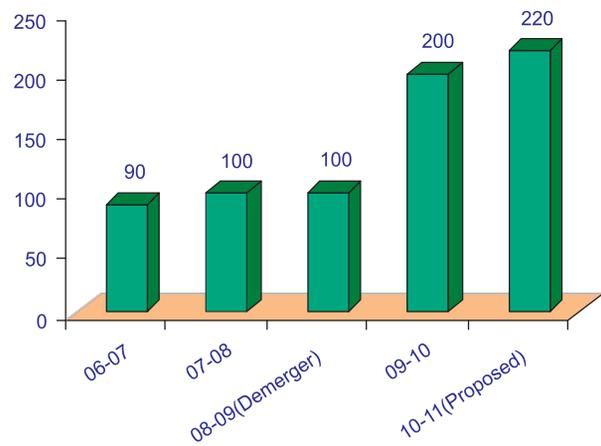
Dated : 30th May, 2011

**Total Revenue
(Rs. in Crores)**

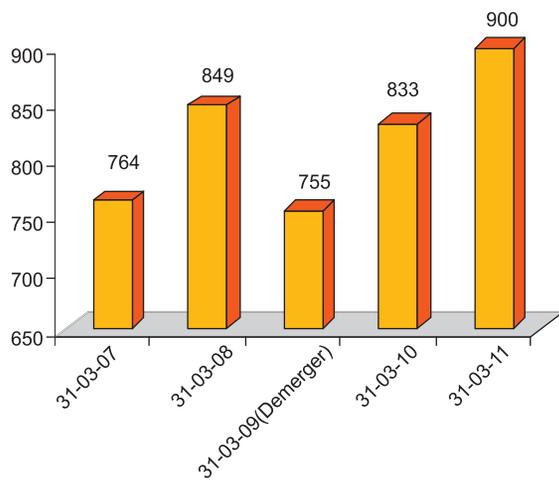


**Financial Performance
of last 5 Years
At a Glance**

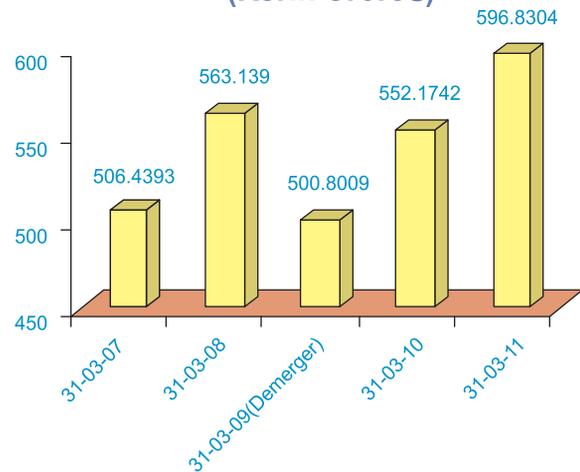
Dividend %



**Book Value
(per share of Rs. 10/-)**



**Networth
(Rs. in Crores)**



NOTICE :

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of Kothari Products Limited will be held on Friday, the 23rd September, 2011 at "Royal Cliff", 113/72, Swaroop Nagar, Opposite Motijheel Gate No.1, Kanpur at 11:30 A.M., to transact the following business:-

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the financial year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend for the aforesaid financial year.
3. To appoint a Director in place of Dr. Avinash Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s.Mehrotra & Mehrotra, Chartered Accountants, retiring Auditors, as Auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed in 26th AGM of the Company held on 21st September, 2010 the consent of the Company be and is hereby accorded under section 293(1)(a) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), to the Board of Directors (hereinafter referred to as "the Board") to mortgage and/or charge, in addition to the mortgage(s)/charge(s) created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms and conditions as the Board may determine, subject to maximum amount of Rs.1250 Crores of charges outstanding at any time, on all or any of the movable and/or immovable property(ies) of the company, both present and future of every nature & kind whatsoever together with the powers to take over the management of the business and concern of the Company, in certain events of defaults, in favour of lenders for securing the borrowing availed/to be availed by the Company by way of loans and securities issued by the Company together with interest at the respective agreed rates, additional interest, all other costs, charges and expenses and all other monies payable by the Company in respect of said loans/borrowings/debentures/other securities and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between Board of Directors and the Lender(s)/Agent(s) and Trustee(s)".

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to finalise, settle and execute such documents/deeds/writings/papers/ agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

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

"RESOLVED THAT pursuant to Section 16 and other applicable provisions, if any, of the Companies Act, 1956 the Memorandum of Association of the Company be altered in the following manner:

In Clause III (B) sub-clause 4 of the Memorandum of Association the word "decrease" in the 3rd line be substituted by the word "decrees".

In Clause III (B) sub-clause 9 of the Memorandum of Association the heading for the said clause “Guarantee and Surety” be substituted by the word “Guarantee and Surety for securities”.

In Clause III (B) sub-clause 10 of the Memorandum of Association the heading for the said clause “Guarantee and Surety” be substituted by the word “Guarantee and Surety for payment of money”.

In Clause III (B) sub-clause 12 of the Memorandum of Association the word “previous” in the 1st line be substituted by the word “provisions”.

In Clause III (B) sub-clause 15 of the Memorandum of Association the word “purpose” in the 3rd line be substituted by the word “propose”.

In Clause III (B) sub-clause 23 of the Memorandum of Association the word “ot” in the 3rd line be substituted by the word “to”.

In Clause III (B) sub-clause 31 of the Memorandum of Association the word “o” in the 6th line be substituted by the word “or”.

In Clause III (C) sub-clause 7 of the Memorandum of Association the word “on involving” in the 7th line be substituted by the word “or involving”.

In Clause III (C) sub-clause 9 of the Memorandum of Association the word “decription” in the 2nd line be substituted by the word “description”.

In Clause III (C) sub-clause 12 of the Memorandum of Association the word “problem clke” in the 2nd line be substituted by the word “coke”.

In Clause III (C) sub-clause 15(a) of the Memorandum of Association the word “assessories” in the 2nd line be substituted by the word “accessories”.

In Clause III (C) sub-clause 18 of the Memorandum of Association the word “bureauts” in the 4th line be substituted by the word “bureau”.

In Clause III (C) sub-clause 19 of the Memorandum of Association the word “theatrical” in the 8th line be substituted by the word “theatrical”.

In Clause III (C) sub-clause 21 (a) of the Memorandum of Association the word “personnal” in the 2nd line be substituted by the word “personal”.

In Clause III (C) sub-clause 23 of the Memorandum of Association the word “serticulture” in the 1st line be substituted by the word “sericulture”.

In Clause III (C) sub-clause 25 of the Memorandum of Association the word “incident” in the 5th line be substituted by the word “incidental”.

In Clause III (C) sub-clause 29 of the Memorandum of Association the word “die” in the 2nd and 3rd line be substituted by the word “dye”.

In Clause III (C) sub-clause 32 of the Memorandum of Association the word “productor” in the 3rd line be substituted by the word “products or”.

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

“RESOLVED THAT pursuant to Section 31 and other applicable provisions if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner :

In Article 5 of the Articles of Association the sub article 5 (i) be re-numbered as “5 (1) (i).”

In Article 5 (i) (c) of the Articles of Association the word “deline” in the 5th line be substituted by the word “decline”.

In Article 7 of the Articles of Association the word “sock” in the 3rd line be substituted by the word “stock”.

In Article 11 of the Articles of Association the word “it” in the 3rd line be substituted by the word “if”.

In Article 22 of the Articles of Association the word “then” in the 1st line be substituted by the word “than”.

In Article 29 of the Articles of Association the word “is” in the 1st line be substituted by the word “in”.

In Article 33 of the Articles of Association the word “issued” in the 3rd line be substituted by the word “issue”.

In Article 34 (1) of the Articles of Association the word “on” after the word “by” in the 7th line be removed.

In Article 37 of the Articles of Association the word “from” in the 3rd line be substituted by the word “Form”.

In Article 39 of the Articles of Association the word “on” after the word “refused” be removed and the words “what so any ” in the 3rd line be substituted by the word “whatsoever.”

In Article 58 of the Articles of Association the word “capipalisation” in the 8th line be substituted by the word “capitalization.”

In Article 67 of the Articles of Association the word “at” in the 2nd line be added after the word “transacted”.

In Article 87 of the Articles of Association the heading be changed from “Alternative Directors” to “Alternate Director” and the word “thelater’s” in the 2nd line be substituted by the words “the latter’s”.

In Article 91 of the Articles of Association the word “othorised” in the 5th line be substituted by the word “authorised”.

In Article 98 of the Articles of Association the words “no with standing” in the 2nd line be substituted by the word “notwithstanding”.

In Article 99 of the Articles of Association the word “thereby” in the 3rd line be substituted by the words “thereof by.”

In Article 103 of the Articles of Association the word “weather” in the 5th line be substituted by the word “whether.”

In Article 104 of the Articles of Association the word “generally” in the 3rd line be substituted by the word “generality” and the word “appointment” in the 3rd line be substituted by the word “appoint”.

In Article 108 of the Articles of Association the heading be changed from “To what provisions shall be subjected” to “To what provisions Managing Director shall be subjected” and the word “retiremen” in the 3rd line be substituted by the word “retirement” and the word “ot” in the 4th line be substituted by the word “to”.

In Article 110 of the Articles of Association the word “very” in the 9th line be substituted by the word “vary”.

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

By Order of the Board
for KOTHARI PRODUCTS LIMITED

Sd/-
(RAJ KUMAR GUPTA)
Company Secretary

DATE : 30th May, 2011

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective should be completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members of the Company shall remain closed from Friday, the 16th September, 2011 to Friday, 23rd September, 2011 (both days inclusive).
4. The Dividend for the year ended 31st March, 2011 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 15th September, 2011. In respect of shares held in electronic form, the dividend will be payable on the basis of their beneficial ownership as at the end of aforesaid date as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
5. THE MEMBERS HOLDING PHYSICAL SHARES ARE, IN THEIR OWN INTEREST, ADVISED TO SEND IMMEDIATELY REQUESTS FOR CHANGE OF ADDRESS AND BANK PARTICULARS, IF ANY, TO OUR REGISTRAR i.e. ALANKIT ASSIGNMENTS LTD., CORPORATE OFFICE, "ALANKIT HOUSE", 2E/21, JHANDEWALAN EXTENSION, NEW DELHI – 110 055, PHONE NOS. (011) 23541234 / 42541234 & FAX NOS. (011) 42541967 / 23552001. 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 2003-04 onwards may approach the Secretarial Department at the Registered Office of the Company for revalidation of Dividend Warrants or for obtaining duplicate Dividend Warrants in lieu of the lost warrants.
7. Members are hereby also informed that Dividends which remain unclaimed/unencashed for a period of 7 years, from the date of transfer to the unpaid Dividend Accounts, have to be transferred by the Company u/s 205A to the Investors Education & Protection Fund (IEPF) constituted by the Central Government u/s 205C of the Companies Act, 1956. Further, under the amended provisions of Sec.205B of the Companies Act, 1956, no claim shall lie for the unclaimed Dividend from IEPF by the shareowners.

The unpaid Dividend amount relating to the Financial Years 1995-96, 1996-97, 1997-98, 1998-2000 (Interim), 1998-2000 (Final), 2000-2001, 2001-2002 & 2002-2003 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 2003-04 WILL BE TRANSFERRED TO THE INVESTOR EDUCATION & PROTECTION FUND, AS PER THE PROVISIONS OF SEC.205A (5) OF THE COMPANIES ACT, 1956 IN OCTOBER, 2011. FURTHER, NO CLAIM SHALL LIE, IN RESPECT OF THE AFORESAID DIVIDEND TRANSFERRED TO THE FUND, EITHER AGAINST THE COMPANY/ITS OFFICERS OR AGAINST THE GOVERNMENT.
8. Members desirous of getting any information at the meeting about the accounts and operations of the company are requested to send their query at the Registered office well in advance so that the same may reach the office atleast seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
9. Section 109A of the Companies Act, 1956 has extended nomination facility to individuals holding shares in Companies. Shareowners, in particular, those holding shares as sole holder are advised to avail of the above facility in their own interest, by furnishing to the Company the particulars of their nominations. The prescribed application form may be obtained by the shareowners from the Company's Secretarial Department at its Registered Office.
10. Members are requested to bring their copies of Annual Report at the meeting. Please note that no gifts will be distributed at the meeting.

11. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with our Registrar, Alankit Assignments Ltd., "Alankit House", 2E/21 Jhandewalan Extension, New Delhi - 110 055.

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

ITEM NO.5

In the 26th AGM held on 21st September, 2010 the Company had authorized Board of Directors to create charges/ mortgages in respect of the borrowings exercised subject to a maximum Rs.750 Crores.

In order to meet the enhanced fund/Non-fund based requirements for the diversified business operations the Company needs to borrow frequently from Banks by way of various credit facilities. The borrowings by the Company, in general, are required to be secured by mortgage or charge on all or any of the movable and/or immovable property (ies) of the Company in such form, manner and ranking as may be determined by the concerned Banks. The Board of Directors of the Company has therefore decided to increase the aforesaid limit of Rs.750 Crores to Rs.1250 Crores.

The mortgage and/or charge on any of the movable and/or immovable property (ies) and/or the whole or any part of the undertaking(s) of the Company, to secure borrowings of the Company with a power to the charge holders to take over the management of the business and concern of the Company in certain events of default, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 293(1) (a) of the Companies Act, 1956. Hence, it is necessary for the members to pass an ordinary resolution under the said section for the aforesaid increase of limit.

The Board of Directors accordingly recommend the resolution set out in item no.5 of the accompanying notice for the approval of the members.

None of the Directors is in any way concerned or interested in the passing of the said Resolution.

ITEM NO.6 & 7

The resolutions at item Nos.6 & 7 mentioned in the notice relate to the corrections regarding the spelling and grammatical errors in the Memorandum and Articles of Association of the Company. The present Memorandum and Articles of Association of the Company contains the aforesaid errors and the same need to be rectified by the Company.

Pursuant to the provisions of Section 16 and Section 31 of the Companies Act, 1956 alteration in the Memorandum and Articles of Association of the Company requires the approval of the members by way of special resolutions. Therefore, the approval of the members is accordingly sought for the aforesaid corrections.

The Board of Directors of the Company recommends the resolutions at Item No.6 and 7 as set out in the notice for approval of the members.

None of the Directors of the Company is in any way concerned or interested in this resolution.

A copy of the existing Memorandum and Articles of Association as well as the draft of the amended Memorandum and Articles of Association of the Company is available for inspection by members at the Registered Office of the Company during working hours on any working day.

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

By Order of the Board
for KOTHARI PRODUCTS LIMITED

Sd/-
(RAJ KUMAR GUPTA)
Company Secretary

DATE : 30th May, 2011

DIRECTORS' REPORT

TO THE MEMBERS:

The Board of Directors of your Company presents herewith its 27th Annual Report and Audited Accounts for the financial year ended 31st March, 2011. The report also includes the Management discussion and Analysis Report in accordance with the guidelines of Corporate Governance.

FINANCIAL PERFORMANCE :

	FINANCIAL YEAR ENDED 31.03.2011	(RS. IN LACS) FINANCIAL YEAR ENDED 31.03.2010
Net Sales	133372	34872
Other Income	5593	8307
Profit before Depreciation & Taxation	7393	8280
Less : Depreciation	83	121
Provision for Taxation:		
-Current Tax	1700	1450
-Deferred Tax	-23	24
-Tax Adjustments for earlier years	-528	1
Profit after Tax	6161	6684
Add : Balance of Profit brought forward from previous year	<u>20803</u>	<u>16333</u>
Profit available for appropriation	<u>26964</u>	<u>23018</u>
APPROPRIATIONS		
Transfer to General Reserve	616	668
Proposed Dividend	1459	1327
Additional Tax on Proposed Dividend	237	220
Balance of Profit carried forward	<u>24652</u>	<u>20803</u>
	<u>26964</u>	<u>23018</u>

2011 IN RETROSPECT:

Your Directors are to report that the Company's sales turnover during the year under review has been Rs. 133372 Lacs as against Rs. 34872 Lacs during the previous financial year. The Profit before tax during the year has decreased to Rs. 7393 Lacs as against Rs. 8280 Lacs in the previous year. The Profit after Tax has also similarly decreased to Rs. 6161 Lacs as against Rs. 6684 Lacs in the previous year.

INTERNATIONAL BUSINESS :

The Company's export during the year under review has increased to Rs. 67104 Lacs as compared to Rs. 23262 Lacs during the previous year.

DIVIDEND RECOMMENDED:

Your Directors recommend a dividend of 220% (Rs. 22/- per equity share of Rs. 10/- each) subject to approval of shareowners in ensuing Annual General Meeting, absorbing Rs. 1696 Lacs (Approx) including additional tax on dividend. The aforesaid Dividend is tax free in the hands of the shareowners.

SUBSIDIARIES :

The Company has seven subsidiaries namely Sukhdham Constructions & Developers Ltd., Arti Web-Developers

Pvt. Ltd., MK Web-Tech Pvt. Ltd., KPL Exports Pvt. Ltd. & IMK Hotels Pvt. Ltd. as its wholly owned subsidiary Companies and Kothari Products Singapore Pvt. Ltd. and Savitrimata Realtors Private Limited as its subsidiary Companies. In accordance with the General Circular No. 2/2011 dated 8th February, 2011 of the Ministry of Corporate Affairs granting general exemption under section 212 of the Companies Act, 1956, the detailed annual accounts and their attachments are not being published. However, the prescribed financial details of the aforesaid subsidiary companies have been disclosed in the consolidated Balance Sheet. The Company hereby undertakes that the Annual Accounts of the subsidiary companies and their related detailed information shall be made available to the shareowners of the holding and subsidiary companies seeking such information at any point of time. The Annual Accounts of the subsidiary companies shall also be kept for inspection by any shareowners at the head office of the holding company and of the subsidiary companies concerned. The holding company shall furnish a hard copy of details of accounts of subsidiaries to any shareowner on demand.

DIRECTORS:

Dr. Avinash Gupta, a Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

STOCK EXCHANGE LISTING & COMPLIANCE:

The Shares of the Company are presently listed at Bombay Stock Exchange Ltd., Mumbai, National Stock Exchange of India Ltd., Mumbai & U.P. Stock Exchange Association Ltd., Kanpur.

CORPORATE GOVERNANCE REPORT:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Sec.217 (2AA) introduced by the Companies (Amendment) Act, 2008, your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed ;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

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

a) INDUSTRY STRUCTURE AND DEVELOPMENTS :

The Company has focused on seizing the business opportunities in the most buoyant and vibrant sectors of the economy such as trading division and real estate. The Company has emerged as a strong market player in the sectors of trading division & Real Estate & also the revenue in the trading division has increased substantially this year. Trading Division has proved very dynamic and profitable for the Company. However, in the Real Estate Sector there has been several increases in the rate of interest by Reserve Bank of India during the last one year due to which the performance of the Real Estate sector has been sluggish this year.

b) OPPORTUNITIES & THREATS :

The opportunities for the Trading Division & Real Estate Industries are immense. Thus the future of the Company appears to be bright. However, the Industry may face the risk of facing a ban on the import/export of any item by the Central/State Governments.

c) FINANCIAL PERFORMANCE :

The Company's sales have increased to Rs. 133372 Lacs during the period under review as against Rs. 34872

Lacs during the previous financial year. The profit before tax and depreciation during the year has however fallen to Rs. 7393 Lacs as against Rs. 8280 Lacs in the previous year. The profit after tax has also decreased to Rs. 6161 Lacs as against Rs. 6684 Lacs during the previous financial year. Profitability of the Company has increased in trading division from Rs. 618 Lacs to Rs. 3723 Lacs whereas in Real Estate segment the profit has decreased to Rs. 3860 lacs from Rs. 7577 Lacs in the previous year. The segment wise financial performance of the Company has also been mentioned in the Notes on Accounts being part of this Annual Report.

d) OUTLOOK:

In view of the aforesaid business ventures, the outlook of the company seems to be very bright.

e) RISKS AND CONCERNS:

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

f) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has Internal Control procedures commensurate with the size of the Company and the nature of its business for the import & export of commodities, minerals etc., purchase of assets and with regard to the sale of goods.

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

These aspects have been covered in detail in the CMD Message to the shareowners in the beginning of this Annual Report. Further, as on 31st March, 2011 the Company had 47 employees.

AUDITORS AND AUDITORS' REPORT :

M/s Mehrotra & Mehrotra, Auditors hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter from M/s Mehrotra & Mehrotra, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits of Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956.

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

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

The information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is as under:-

[A] CONSERVATION OF ENERGY:

Energy Conservation Measures taken:

- a) The Company has taken all measures for conservation of energy most economically.
- b) Additional Investments & Proposals, if any, being implemented for reduction of consumption of energy. No such investment is proposed.
- c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: These measures have led to consumption of energy more economically. Further, since there is no manufacturing activity in the Company, hence information on consequent impact on Cost of production is not applicable.
- d) Form 'A' is not applicable to the company.

[B] TECHNOLOGY ABSORPTION:

Since there is no manufacturing activity in the Company hence the Company has not imported any technology. Accordingly, no R & D department exists in the company.

[C] FOREIGN EXCHANGE EARNINGS AND OUTGO :

- | | |
|--|---|
| a) Activities relating to exports; initiatives taken to increase exports; Development of new export markets for Trading Items and Export Plans | } The Company's trading items are being exported directly or through Merchant Exporters to China & Thailand.
} The Company has exported Iron Ore and is also in the process of exporting of Aluminium Ingots to Thailand and also planning export of Literite to Bahrain. The Company is also planning various minerals and metal products for export. New developments under process are Soya DOC. As India is a growing market for Metals mainly steel the Company is developing opportunities to export the same. |
|--|---|

	CURRENT YEAR	(RS. IN LACS) PREVIOUS YEAR
b) Earnings in Foreign Currency	67104	23262
c) Expenditure in Foreign Currency	8	6
d) Imports of goods for trading	106379	21593
e) Purchase of Fixed Assets	NIL	NIL

INDUSTRIAL RELATIONS:

Cordial and harmonious industrial relations prevailed throughout the year.

PARTICULARS OF EMPLOYEES:

The particulars of employees who were in receipt of remuneration as specified in Sec.217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975 as amended, is Nil.

ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board

PLACE : KANPUR
DATE : 30th May, 2011

Sd/-
(DEEPAK KOTHARI)
Chairman & Managing Director

Sd/-
(MITESH KOTHARI)
Executive Director

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

The Company's philosophy on Corporate Governance comprises of the objective of attainment of highest level of transparency, accountability and equity, in all facets of its operations. The Company firmly believes in and continues to practice good Corporate Governance. During the year the Company has further fine-tuned its corporate practices so as to bring them in line with the revised clause 49 of the Listing Agreements.

BOARD OF DIRECTORS

COMPOSITION

The Board of Directors of the Company comprises of two Executive & Non-Independent Directors and three Non-Executive & Independent Directors as on 31st March 2011, in line with the stipulations laid by the Listing Agreement. The Non-Executive Directors are drawn from amongst persons with varied experience in Business & Industry. The Board presently has an Executive Chairman & Managing Director, an Executive Director and three Non-Executive Directors. Its composition as on 31st March, 2011 was as under :-

Name of the Directors	No. of Outside Directorships*	No. of Membership, Chairmanship in Other Board Committees [#]	Executive/Non-Executive/Independent/Promoter	Designation
SRI DEEPAK KOTHARI	9	1	Executive & Non-Independent (Promoter)	Chairman & Managing Director
SRI MITESH KOTHARI	8	NIL	—do—	Executive Director
DR.AVINASH GUPTA	2	1	Independent & Non-Executive Director	Director
SRI PRAMOD KUMAR TANDON	4	1 (As Chairman)	—do—	Director
SRI VIKAS CHATURVEDI	NIL	NIL	—do—	Director

*The no. of other directorships held by directors as mentioned above do not include directorships held in private limited companies which are neither subsidiaries nor holding companies of a public limited company.

[#]In accordance with clause 49 of the listing agreement, Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all public limited companies (excluding Kothari Products Limited) have been considered.

Attendance of Each Director at the Board Meetings and Last Annual General Meeting

Name	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance At Last A.G.M.
Sri Deepak Kothari	6	5	Present
Sri Mitesh Kothari	6	6	Present
Dr. Avinash Gupta	6	Nil	Absent
Sri Pramod Kumar Tandon	6	5	Present
Sri Vikas Chaturvedi	6	4	Present

NO. OF MEETINGS HELD DURING THE YEAR & DATES

During the financial year 2010-11 six (6) Board Meetings were held. The dates on which the said Meetings were held are given below:

5th April, 2010, 29th May, 2010, 13th August, 2010, 10th November, 2010, 18th December, 2010 & 12th February, 2011.

AUDIT COMMITTEE

The composition of the Audit Committee of the Company as on 31st March, 2011 was as under

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

Sri Anurag Tandon, Auditor & Sri Rajeev Porwal, G.M. (Finance) are the permanent invitees and the Company Secretary Mr. Raj Kumar Gupta is the Secretary of the Committee.

The role and terms of reference of the Audit Committee covers the areas mentioned under revised clause 49 of the Listing Agreement and Section 292-A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors, which broadly include:

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the Quarterly, Half Yearly and Annual financial statements before they are submitted to the Board of Directors.

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

REMUNERATION POLICY

The Company has two whole time Directors on its Board whose appointment, terms thereof as well as remuneration have been approved by the Members in the General Meetings and also by the remuneration committee of Directors, pursuant to the provisions of Schedule XIII to the Companies Act, 1956. Further the Company has three Non-Executive Directors whose remuneration is decided by the Board of Directors and Member's approval for the same has been obtained in the 19th Annual General Meeting, pursuant to amended clause 49 of the Listing Agreement. The details of Directors' Remuneration paid during the year to all the Directors is as under :-

(Amount in Rupees)

Name of Director	Mr. Deepak Kothari	Mr. Mitesh Kothari	Dr. Avinash Gupta	Mr. Pramod Kumar Tandon	Mr. Vikas Chaturvedi
Salary	1080000	900000	—	—	—
Perquisites	859427	814277	—	—	—
Commission	—	—	—	—	—
Sitting Fees	—	—	Nil	5000	4000

SHAREOWNERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareowners'/Investors' Grievance Committee has been constituted to take care of matters relating to redressal of shareowners'/investors' complaints, to recommend measures to improve the level of investors' services and simultaneously to expedite the process of Share Transfers. The Committee also approves requests for Share Transfers/ Issue of Duplicate Share Certificates/Issue of new certificates on split, consolidation, renewal etc; as also requests for transmission of shares etc. Members of the Committee as on 31st March, 2011 were Sri Pramod Kumar Tandon (Chairman), 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, Company Secretary
- No. of Shareowners Letters/complaints received during the financial year : 6
- No. of Letters/Complaints not replied/solved to the Satisfaction of the shareowners : All the Letters/Complaints received by the Company have been replied/solved to the satisfaction of the complainants.
- No. of pending Complaints : None of the Complaints is pending as at 31st March, 2011.

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

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

REMUNERATION COMMITTEE

The Company has set-up remuneration committee, pursuant to the provisions of Schedule XIII to the Companies Act, 1956 & clause 49 of the Listing Agreement, which consists of three Non-Executive Directors as on 31st March, 2011 viz. Sri Pramod Kumar Tandon as its Chairman, Sri Vikas Chaturvedi & Dr.Avinash Gupta as its Members. The committee has been constituted to approve the remuneration of the Executive Directors of the company. The present remuneration of the Executive Directors of the company has been approved by the remuneration committee.

GENERAL BODY MEETINGS

Venue, Date & Time where last 3 AGMS were held

Meeting	Date	Time	Venue
26 th AGM	21.09.2010	11.30 A.M.	LITTLE CHEF, CIVIL LINES, KANPUR
25 th AGM	24.09.2009	11.30 A.M.	LITTLE CHEF, CIVIL LINES, KANPUR
24 th AGM	18.09.2008	11.30 A.M.	LITTLE CHEF, CIVIL LINES, KANPUR

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

Annual General Meeting	No. of Special Resolutions
26 th	NIL
25 th	1
24 th	1

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

At the 25th Annual General Meeting held on September 24th, 2009, one Special Resolution was passed pertaining to the re-appointment of the Chairman of the Company. The resolution was put to vote by show of hands and was passed unanimously.

At the 24th Annual General Meeting held on September 18th, 2008, one Special Resolution was passed pertaining to the re-appointment of the Chairman of the Company. The resolution was put to vote by show of hands and was passed unanimously.

DETAILS OF RESOLUTIONS PASSED THROUGH POSTAL BALLOT

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

EXTRA ORDINARY GENERAL MEETING

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

DISCLOSURES

- During the financial year 2010-11, the company had no materially significant related party transactions which may have potential conflict with the interests of the company at large.
- Whistle Blower Policy: - Every employee of the Company has been given the right to approach the audit committee if he observes an unethical or improper practice (not necessarily a violation of law), without necessarily informing his supervisor. Further, no personnel of the Company has been denied access to the audit committee.
- There has neither been any non-compliances nor penalties, strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter relating to the capital markets, during the last three years.
- No accounting treatment has been done which is different from the prescribed Accounting Standards.

MEANS OF COMMUNICATION

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

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

1. The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with the Stock Exchanges as on 31st March 2011.
2. Adoption/Non-adoption of non-mandatory requirements as at 31st March 2011
 - a) The Company has an Executive Chairman and he occupies an office with all the necessary infrastructure and assistance made available to enable him to discharge his responsibilities effectively. Further, the Company has not adopted the requirement of Independent Directors tenure not to exceed a period of nine years on the Board of the Company.
 - b) The Company has set up a Remuneration Committee as per details mentioned in the preceeding page of this report.
 - c) As the quarterly and half yearly financial results are published in the newspapers as well as displayed on the Companys' website, hence the results are not sent to household of each of the shareholders.
 - d) The auditors have issued an unqualified optimal for the year ended 31st March, 2011.
 - e) The Board of Directors of the Company consist of an optional blend of company executives and Independent professionals having an in-depth expertise of International Trade & Real Estate Businesses and expertise in their area of specialisation.
 - f) Presently the Company does not have a mechanism for evaluating its Non-Executive Directors by peer group comprising of the entire Board of Directors.
 - g) Presently the Company has a Whistle Blower Policy in place. However, no employee has been denied access to the audit committee

GENERAL SHAREOWNERS INFORMATION

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

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

NAME OF DIRECTOR	Dr. Avinash Gupta
DATE OF BIRTH	26.05.1950
DATE OF APPOINTMENT	24.09.2009
QUALIFICATION	Doctor
EXPERTISE IN SPECIFIC FUNCTIONAL AREAS	He has got rich experience and expertise particularly in the field of Trading & Real Estate.
DIRECTORSHIPS HELD IN OTHER COMPANIES	1. Aman Spices Private Limited 2. Aman Leasing And Housing Finance Private Limited 3. M K Web- Tech Private Limited 4. Pan Parag India Limited 5. Shark Softech Private Limited
COMMITTEE POSITIONS HELD IN OTHER COMPANY	1. Member of the Audit Committee of Pan Parag India Limited 2. Member of Remuneration Committee of Pan Parag India Limited

ANNUAL GENERAL MEETING

- DATE : Friday, 23rd September, 2011
- TIME : 11:30 A.M.
- VENUE : "Royal Cliff", 113/72, Swaroop Nagar,
Opposite Moti Jheel, Gate No.1, Kanpur
- FINANCIAL CALENDAR : 1st April to 31st March
- DATES OF BOOK CLOSURE : 16th September, 2011 to 23rd September, 2011 (Both days inclusive)
- DIVIDEND PAYMENT DATE : On or before 22nd October, 2011.
- STOCK EXCHANGES WHERE THE SHARES ARE LISTED : U.P. Stock Exchange Association Ltd., Kanpur, Bombay Stock Exchange Ltd., Mumbai & National Stock Exchange of India Ltd., Mumbai. Stock Code : 530299 on Bombay Stock Exchange, Kothari Pro-Series-EQ.: National Stock Exchange of India Ltd

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

MONTH	HIGH (Amount in Rs.)	LOW (Amount in Rs.)
APRIL 2010	459	401.2
MAY 2010	505	390.45
JUNE 2010	521.65	390
JULY 2010	585	503
AUGUST 2010	664.9	521.4
SEPTEMBER 2010	586.7	511.2
OCTOBER 2010	548.9	502
NOVEMBER 2010	549.9	391
DECEMBER 2010	491.45	405.05
JANUARY 2011	458.85	377
FEBRUARY 2011	429	357.1
MARCH 2011	393	350.1

REGISTRAR AND TRANSFER AGENT AND SHARE TRANSFER SYSTEM

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

Alankit Assignments Ltd.

Corporate Office "Alankit House", 2E/21 Jhandewalan Extension, New Delhi – 110 055

Telephone Nos. (011)23541234 & 42541234

Fax Nos. (011) 42541967 & 23552001, E-mail : rta@alankit.com

• DISTRIBUTION OF SHAREHOLDING

The Shareholding distribution of equity shares as on 31st March, 2011 is given below :

No. of Equity shares held	No. of Shareowners		No. of Shares held in		% of Equity Capital held in	
	No. of Shareowners	% of Shareowners	Physical form	Demat form	Physical form	Demat form
1 – 500	5534	96.528	46442	305360	0.700	4.604
501 - 1000	94	1.64	6600	62211	0.100	0.938
1001 - 5000	70	1.221	7100	126631	0.107	1.910
5001 - 10000	11	0.192	0	63211	0	0.953
10001 - 20000	8	0.14	12143	107262	0.183	1.617
20001 - 30000	2	0.035	28700	28235	0.433	0.426
30001 - 40000	0	0	0	0	0	0
40001 - 50000	0	0	0	0	0	0
50001 - 100000	3	0.052	0	265900	0	4.009
100001 - 500000	8	0.14	1439577	748910	21.707	11.292
500001 - Above	3	0.052	2094413	1289275	31.581	19.440
Total	5733	100.00	3634975	2996995	54.811	45.189

Shareholding Pattern of the Company as on 31st March, 2011 :

CATEGORY	NO. OF SHARES HELD	% OF HOLDING
PROMOTERS & PROMOTER GROUP	4973978	75.00
INDIAN PUBLIC – INDIVIDUALS	957290	14.435
INDIAN PUBLIC - CORPORATE BODIES & TRUSTS	691806	10.431
FOREIGN HOLDING	8896	0.134
TOTAL	6631970	100.000

• DEMATERIALISATION OF SHARES AND LIQUIDITY

Nearly 45.189 % of total Equity Share Capital is held in dematerialised form with NSDL and CDSL as on 31st March, 2011. ISIN No. is INE823A01017 of NSDL & CDSL. The Company's shares are regularly traded at Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd., Mumbai.

• PLANT LOCATIONS

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

• ADDRESS FOR CORRESPONDENCE

- Shareowners having any queries regarding Dividend Warrants & Annual Reports should send their correspondence to :
The Share Department
KOTHARI PRODUCTS LTD.
"PAN PARAG HOUSE"
24/19, The Mall, KANPUR - 208 001 (U.P.)
PHONE NOS. 0512-2312171-74 FAX NO. 0512-2312058 E-mail- rkgupta@kothariproducs.in
- Physical Shareowners should send their requests for Share Transfers, Change of Address/Bank Details etc., if any, to our following Registrar & Share Transfer Agent :-
Alankit Assignments Ltd.
Corporate Office
"Alankit House"
2E/21 Jhandewalan Extension, New Delhi- 110 055
PHONE NOS. (011)23541234 & 42541234 FAX NO. (011)42541967 & 23552001 E-mail- rta@alankit.com
- Shareowners holding shares in electronic mode should address all their correspondence relating to change of address, change of Bank details etc. to their respective Depository Participants.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Kothari Products Limited

We have examined the compliance of conditions of Corporate Governance by Kothari Products Limited, for the year ended on 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

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

For MEHROTRA & MEHROTRA
CHARTERED ACCOUNTANTS

Sd/-
(ANURAG TANDON)
PARTNER

PLACE : KANPUR
DATE : 30th May, 2011

DECLARATION BY CHIEF EXECUTIVE OFFICER

I, Deepak Kothari, Chairman & Managing Director of Kothari Products Ltd. hereby declare that all the Board Members and Senior managerial personnel have affirmed, for the year ended 31st March, 2011, compliance with the code of conduct of the Company laid down for them.

Place : KANPUR
Date : 30th May, 2011

Sd/-
(Deepak Kothari)
Chairman &
Managing Director

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

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

1. That we have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2011 and that to the best of our knowledge and belief;
 - these statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading and
 - these statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;
3. That we accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies and
4. That we have informed the auditors and the audit committee of :
 - i. significant changes in internal control during the year; if any.
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Sd/-
(Deepak Kothari)
Chairman & Managing Director

Sd/-
(Rajeev Porwal)
G.M. (Finance)

Place : Kanpur
Date : 30th May, 2011

AUDITORS' REPORT

To,

The Members,

Kothari Products Limited

1. We have audited the attached Balance Sheet of Kothari Products Limited as at 31st March, 2011, Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed hereto, which are in agreement with the books of accounts. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of our audit, we report that, in our opinion:-
 - (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, these fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) The disposal of fixed assets has been done in the normal course of business and it has not affected the going concern.
 - (ii) (a) The inventories have been physically verified during the year by the management, except for stocks lying with third parties, which have, however, been confirmed by them. In our opinion, the frequency of verification is reasonable.
 - (b) The procedures of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory and the discrepancies noticed on physical verification, which were not material, have been properly dealt with in the books of account.
 - (iii) (a) The Company has given loans to its six subsidiary companies and two associate Companies. In respect of these loans the maximum amount outstanding during the year were Rs.20431 Lacs and year end balances were 15470 Lacs.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest (other than interest free loans to its five wholly owned subsidiary Companies) and other terms & conditions of the loan given by the company, are not prima facie prejudicial to the interest of the Company.
 - (c) The principal amounts are repayable on demand and there is no repayment schedule. The interest is payable on demand.
 - (d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise. In respect of interest, wherever applicable, there are no overdue amounts.
 - (e) The Company has taken interest free unsecured loan from one of its directors amounting to Rs.1890 Lacs. Except this the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (f) The rate of interest and other terms and conditions of the loan taken are prima facie not prejudicial to the interest of the Company.
 - (g) There is no stipulation as to the repayment of the loan. There has been no overdue interest.
 - (iv) There is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of stocks and fixed assets, for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
 - (v) (a) To the best of our knowledge and according to the information and explanations given to us, the contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered;
 - (b) Each of these transactions has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
 - (vi) The Company has not accepted any deposits from the public. Therefore, reporting under clause 4(vi) of the Companies (Auditors' Report) Order, 2003 is not applicable to the Company.

- (vii) The Company has integrated Internal Control cum audit system which involves reasonable internal audit which is considered by us to be commensurate with size and nature of its business.
 - (viii) The Company has not done any manufacturing activity during the year. Therefore, the maintenance of cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 are not applicable to the Company.
 - (ix) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax / Value Added Tax, Wealth Tax, Service tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities.
 - (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 / Value Added Tax, Custom duty and Cess as at 31st March, 2011 which were outstanding for a period of more than six months from the date they became payable.
 - (c) According to the information & explanations given to us, there is no disputed amount payable in respect of Income-tax, Wealth-tax, Service-tax, Sales-tax / Value Added Tax, Custom duty and Cess as at 31st March, 2011
 - (x) The Company does not have any accumulated losses and it has not incurred cash losses during the financial year and immediately preceding financial year.
 - (xi) As per information and explanations given by the management, in our opinion the Company has not defaulted in repayment of loan taken from financial institution or banks.
 - (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - (xiii) The Company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society. Therefore, the reporting under Clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.
 - (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the reporting under clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
 - (xv) The Company has given guarantees for loans taken by other body corporate from banks and financial institutions or other wise. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
 - (xvi) The Company has not taken any term loans during the year.
 - (xvii) As per information and explanations given to us, funds raised for short term basis have not been used for long term investment.
 - (xviii) The Company has not made any preferential allotment of shares during the year.
 - (xix) The Company has not issued any debentures during the year.
 - (xx) The Company has not raised any money by public issues during the year.
 - (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.
4. Further to above, we report that:-
- i. we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. in our opinion, proper books of accounts have been kept by the Company as required by the law, so far as appears from our examination of those books.
 - iii. in our opinion, Balance Sheet; the Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - iv. based on the written representations received from the directors as on 31st March, 2011 and taken on records by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - v. in our opinion and to the best of our information and explanations given to us, the said accounts read with Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
 - (b) in the case of Profit & Loss Account, 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.

For MEHROTRA & MEHROTRA
CHARTERED ACCOUNTANTS

(ANURAG TANDON)
PARTNER

Membership No. 078862

PLACE : KANPUR
DATE : 30th May, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule Nos.	As at 31.03.2011 (Rupees in Lacs)	As at 31.03.2010 (Rupees in Lacs)
SOURCES OF FUNDS			
Shareowners' Fund			
(a) Share Capital	1	663	663
(b) Reserves & Surplus	2	59023	54558
Loan Fund			
(a) Secured Loans	3	7050	0
(b) Unsecured Loans	4	1890	787
Deferred Tax Liability		53	76
TOTAL		68679	56084
APPLICATION OF FUNDS			
Fixed Assets	5		
(a) Gross Block		1923	1623
(b) Less: Depreciation & Impairment Losses		629	609
(c) Net Block		1294	1014
Capital Work-in- Progress		687	0
Investments	6	20638	22074
Current Assets, Loans & Advances			
(a) Inventories	7	4808	128
(b) Sundry Debtors	8	72970	9296
(c) Cash & Bank Balances	9	64939	9929
(d) Loans & Advances	10	32238	27292
		174955	46645
Less: Current Liabilities & Provisions			
(a) Current Liabilities	11	123895	9172
(b) Provisions	12	5000	4477
		128895	13649
Net Current Assets		46060	32996
TOTAL		68679	56084
Significant Accounting Policies & Notes to the Accounts	18		

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn No. 000226C
Chartered Accountants

For and on behalf of the Board

Place : Kanpur
Dated: 30th May, 2011

(ANURAG TANDON)
Partner
Membership No. 078862

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

(RAJ KUMAR GUPTA)
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

	Schedule Nos.	For the Year Ended 31.03.2011 (Rupees in Lacs)	For the Year Ended 31.03.2010 (Rupees in Lacs)
INCOME			
Sales	13	133372	34872
Increase / Decrease in Stock (+/-)	14	4681	87
Other Income	15	5593	8400
TOTAL		143646	43359
EXPENDITURE			
Purchases	16	132372	31143
Administrative, Selling & Distribution Expenses	17	3881	3937
Depreciation		83	121
TOTAL		136336	35201
PROFIT BEFORE TAXATION		7310	8158
PROVISION FOR TAXES :			
Current Tax		1700	1450
Deferred Tax		-23	24
Tax Adjustments for Earlier Years		-528	0
PROFIT AFTER TAXATION		6161	6684
Balance Brought Forward		20803	16334
AMOUNT AVAILABLE FOR APPROPRIATION		26964	23018
APPROPRIATIONS :			
Transfer to General Reserve		616	669
Proposed Dividend on Equity Shares		1459	1326
Provision for Tax on Proposed Dividend		237	220
Balance Carried Forward to Balance Sheet (Earning Per Share of Rs.10/- each)		24652	20803
Basic (in Rs.)		92.90	100.78
Diluted (in Rs.)		92.90	100.78

Significant Accounting Policies & Notes to the Accounts

18

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn No. 000226C
Chartered Accountants

For and on behalf of the Board

Place : Kanpur	(ANURAG TANDON) Partner	(DEEPAK KOTHARI) Chairman & Managing Director	(MITESH KOTHARI) Executive Director	(RAJ KUMAR GUPTA) Company Secretary
Dated: 30th May, 2011	Membership No. 078862			

	As at 31.03.2011 (Rupees in Lacs)	As at 31.03.2010 (Rupees in Lacs)
SCHEDULE : 1		
Share Capital		
Authorised :		
11000000 Equity Shares of Rs.10/- each	<u>1100</u>	<u>1100</u>
Issued, Subscribed and Paid up :		
6631970 Equity Shares of Rs.10/- each fully paid up (Including 4800000 shares of Rs. 10/- each alloted as fully paid up Bonus Shares by Capitalisation of General Reserve)	<u>663</u>	<u>663</u>
TOTAL	<u>663</u>	<u>663</u>
SCHEDULE : 2		
Reserves & Surplus :		
(a) Preference Shares Redemption Reserve	<u>3</u>	<u>3</u>
(b) General Reserve :		
As at Commencement of the year	<u>33752</u>	33083
Add : Transferred from Profit & Loss Account	<u>616</u>	<u>669</u>
(c) Profit & Loss Account - As per account annexed	<u>24652</u>	<u>20803</u>
TOTAL	<u>59023</u>	<u>54558</u>
SCHEDULE : 3		
Secured Loans : (Rupees Loans)		
Overdraft against Term Deposits from Allahabad Bank	<u>1400</u>	<u>0</u>
Overdraft against Term Deposits from Canara Bank	<u>2100</u>	<u>0</u>
Cash Credit from Bank of India	<u>8</u>	<u>0</u>
Export Packing Credits from: Allahabad Bank	<u>1209</u>	<u>0</u>
Bank of India	<u>1000</u>	<u>0</u>
Canara Bank	<u>350</u>	<u>0</u>
UCO Bank	<u>983</u>	<u>0</u>
TOTAL	<u>7050</u>	<u>0</u>
Note:		
Bank of India:		
Prime Securities:		
First pari passu charge by way of Hypothecation of Stocks and book debts.		
Collateral Securities:		
Exclusive charge by way of equitable Mortgage of Property at Bangalore owned by other Company. Personal guarantee of two directors.		
Allahabad Bank:		
Prime Securities:		
Hypothecation charge on current assets of the company both current and future, ranking pari passu with other multiple bankers.		
Collateral Securities:		
Term Deposit worth Rs. 400 lacs, equitable mortgage of proeprty at Noida and personal guarantee of two directors.		

Canara Bank:

Prime Securities:

Hypothecation of Stocks and Book Debts.

Collateral Securities:

Term Deposit of Rs. 295 lacs and personal guarantee of two directors.

UCO Bank:

Prime Securities:

First pari passu charge by way of hypothecation on the entire movable, fixed and current assets of the company (both current and future) with existing Working Capital lenders.

Collateral Securities:

Rs. 300 lacs by way of collateral in the form of Term Deposit Receipt.

Punjab National Bank :

Prime Securities:

Hypothecation charge on current assets of the company.

Collateral Securities:

Equitable mortgage of property at Bangalore owned by wholly owned subsidiary.

Yes Bank Limited:

Prime Securities:

First pari passu charge over all the current assets and movable fixed assets of the Company (both current and future).

Collateral Securities:

Unconditional and irrevocable personal guarantee of two directors.

As at 31.03.2011 (Rupees in Lacs)	As at 31.03.2010 (Rupees in Lacs)
--	--

SCHEDULE : 4

Unsecured Loans :

From Directors	1890	0
Bills Discounted from Banks	0	787
TOTAL	1890	787

SCHEDULE : 5 Fixed Assets :

(Rupees in Lacs)

PARTICULARS	GROSS BLOCK			As at 31.03.2011	DEPRECIATION			NET BLOCK		
	As at 31.03.2010	Additions	Transfer		Upto 31.03.2010	For the Year	Adjust- ments	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Freehold Land	267	460	0	727	251	0	0	251	476	16
Building (Office)	273	0	0	273	52	4	0	56	217	221
Building (Factory)	156	0	156	0	31	0	31	0	0	125
Flats	14	0	14	0	1	0	1	0	0	13
Motor Cars/Scooters	695	47	32	710	191	68	21	238	472	504
Computers	18	4	1	21	8	3	1	10	11	10
Office Equipment	125	6	14	117	30	6	8	28	89	95
Temporary Structure	40	0	0	40	40	0	0	40	0	0
Furniture & Fixture	35	1	1	35	5	2	1	6	29	30
TOTAL	1623	518	218	1923	609	83	63	629	1294	1014
PREVIOUS YEAR	1440	246	63	1623	506	121	18	609	1014	

SCHEDULES CONTINUED

	Quantity (Nos.)		Amount (Rupees in Lacs)	
	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
SCHEDULE : 6				
Investments — Long Term (At cost) :				
(1) Held as on 31.03.2011				
A. QUOTED – NON TRADE				
I. MUTUAL FUNDS :				
(Units of Rs. 10/- each, fully paid up)				
HDFC CASH MANAGEMENT SAVINGS PLUS - WEEKLY DIVIDEND	119464.321	15017.922	12	1
HDFC CASH MANAGEMENT FUND-TREASURY ADVANTAGE PLAN WHOLESALE-WEEKLY DIVIDEND	4281031.230	9861995.451	429	989
HDFC CASH MANAGEMENT FUND-TREASURY ADVANTAGE PLAN-RETAIL-WEEKLY DIVIDEND	0.000	76930.669	0	8
KOTAK SELECT FOCUS FUND- DIVIDEND	0.000	3370464.547	0	345
II. EQUITY SHARES, EACH FULLY PAID UP				
APTECH LTD. of Rs.10/-	60000	120000	114	223
ALSTOM PROJECTS LTD of Rs.10/-	54721	0	415	0
BHARAT HEAVY ELECTRICALS LTD. of Rs. 10/-	0	43800	0	1103
CROMPTON GREAVES LTD. of Rs.2/-	173092	0	548	0
CUMMINS INDIA LTD of Rs.2/-	88161	0	661	0
DHANLAKSHMI BANK LTD. of Rs.10/-	237429	0	403	0
DIVI'S LABORATORIES LTD. of Rs.2/-	44808	0	307	0
ECLERX SERVICES LTD. of Rs.10/-	35000	0	246	0
GMR INFRASTRUCTURE LTD. of Rs. 2/-	0	12000	0	9
GUJRAT STATE PETRONET LTD. of Rs.10/-	425000	0	499	0
GREAVES COTTON LIMITED of Rs. 2/-	552870	0	484	0
GODREJ PROPERTIES LTD. of Rs. 10/-	34934	0	258	0
HAVELL'S INDIA LTD. of Rs.5/-	107602	0	414	0
INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LTD. of Rs.10/-	280000	0	551	0
INFOSYS TECHNOLOGIES LTD. of Rs. 5/-	0	5000	0	139
JAIPRAKASH ASSOCIATES LTD. of Rs. 2/-	0	138000	0	221
JSW STEEL LTD. of Rs.10/-	77500	0	932	0
KARUR VYSYA BANK LTD. of Rs. 10/-	67538	0	380	0
LARSEN & TOUBRO LTD. of Rs. 2/-	0	54200	0	920
MAHINDRA & MAHINDRA of Rs.5/-	0	10000	0	53
MPHASIS LTD. of Rs.10/-	0	17000	0	111
NHPC LTD. of Rs.10/-	167396	167396	60	60
OIL INDIA LIMITED of Rs.10/-	40000	0	559	0
POWER FINANCE CORPORATION LTD. of Rs.10/-	110771	0	389	0
RELIANCE CAPITAL LTD. of Rs. 10/-	0	3000	0	27
RELIANCE COMMUNICATION LTD. of Rs. 5/-	0	74519	0	471
RELIANCE INDUSTRIES LTD. of Rs. 10/-	0	700000	0	5043
RELIANCE INFRASTRUCTURE LTD. of Rs. 10/-	0	15000	0	170
RURAL ELECTRICATION CORPORATION LTD. of Rs.10/-	177089	0	627	0
SHOPPERS STOP LTD. of Rs. 10/-	0	13779	0	33
STATE BANK OF INDIA of Rs. 10/-	15	10156	0	208
SUZLON ENERGY LTD. of Rs. 2/-	0	108835	0	116
SHREE CEMENT LTD. of Rs.10/-	9991	0	208	0
TATA MOTORS LTD. of Rs. 10/-	0	10000	0	74
TCS LTD. of Re. 1/-	0	12000	0	95
UFLEX INDUSTRIES LTD. of Rs. 10/-	508726	508726	532	532

SCHEDULES CONTINUED

	Quantity (Nos.)		Amount (Rupees in Lacs)	
	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
SCHEDULE : 6				
UNITECH LTD. of Rs. 2/-	0	75000	0	82
ULTRATECH CEMENT LTD. of Rs.10/-	50000	0	557	0
WHIRLPOOL OF INDIA LTD. of Rs.10/-	125000	0	394	0
ZYLOG SYSTEMS LTD. of Rs. 10/-	50000	0	281	0
III. EQUITY SHARES, EACH PARTLY PAID UP				
KARUR VYSYA BANK LTD. of Rs.10/- EACH Rs.6/- PAID UP	27015	0	20	0
IV. DEBENTURES & BONDS :				
0 % REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF DSP MERRILL LYNCH CAPITAL LIMITED OF RS. 100000/- EACH.	0	980	0	980
Aggregate Cost	TOTAL (A)		10280	12013
Aggregate Market Value			9115	13893
B. UNQUOTED				
I. NON TRADE				
(A) NATIONAL SAVING CERTIFICATE (DEPOSITED WITH SALES TAX)			0	0
(B) CAPITAL CONTRIBUTION IN INDIA GROWTH FUND			447	481
(C) APPLICATION MONEY FOR SHARES			5034	6638
(d) EQUITY SHARES OF BIO-ETHANOL AGRO INDUSTRIES LTD. OF RS. 10/- EACH FULLY PAID-UP	500000	0	175	0
II. TRADE				
(a) Investments in Equity Shares of wholly owned subsidiary Companies, each Fully paid up				
ARTI WEB DEVELOPERS PRIVATE LTD. of Rs.10/-	50000	10000	1	1
IMK HOTELS PRIVATE LTD. of Rs. 10/-	250000	250000	301	301
MK WEB TECH PRIVATE LTD. of Rs. 10/-	250000	250000	190	190
KPL EXPORTS PRIVATE LTD. of Rs. 10/-	50000	50000	5	5
SUKHDDHAM CONSTRUCTIONS & DEVELOPERS LIMITED of Rs.10/-	100000	100000	10	10
(b) Investments in Equity Shares of other subsidiary Companies, each Fully paid up				
SAVITRIMATA REALTORS PVT. LTD. CLASS B SHARES OF Rs. 10/-	25500	0	107	0
KOTHARI PRODUCTS SINGAPORE PTE. LTD. of SGD 1/-	5000000	1000000	1712	314
(c) Investments in Equity Shares of other Companies, each Fully paid up				
BHOJESWAR REALTORS PRIVATE LTD. of Rs.10/-	10000	10000	1	1
HARA PARVATI REALTORS PVT. LTD. of Rs. 10/-	12750	12750	1	1
REAL GRIHA NIRMAN PRIVATE LTD. of Rs.10/-	10000	10000	1	1
SHUBHADRA REALTORS PRIVATE LTD. of Rs.10/-	10000	10000	1	1
SANKHYA REALTORS PRIVATE LTD. of Rs.10/-	10000	10000	1	1
SPPL HOTELS PRIVATE LTD. of Rs.10/-	127500	127500	13	13
TAURUS AGILE TECHNOLOGY CORPORATION PRIVATE LTD. of Rs.10/-	1650000	1650000	1000	1000
(d) Investment in Preference Shares of other companies each fully paid-up				
0.001% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF SPPL HOTELS PVT. LTD.	802486	802486	767	767
0.001% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF HARA PARVATI REALTORS PVT. LTD.	849233	707880	591	336
	TOTAL (B)		10358	10061
	TOTAL (A+B)		20638	22074

SCHEDULES CONTINUED

SCHEDULE : 6	Quantity Nos.	For the year ended 31.03.2011	
		Purchase (Rupees in Lacs)	Sale (Rupees in Lacs)
(2) Purchased & Sold during the Financial Year :			
I. Equity Shares, each fully paid up			
ALSTOM PROJECTS LTD of Rs.10/-	51147	381	405
BAJAJ ELECTRICALS LTD. of Rs. 10/-	52581	120	162
BHARAT HEAVY ELECTRICALS LTD. of Rs. 10/-	800	20	20
CAMSON BIOTECHNOLOGIES LTD. of Rs. 10/-	289358	497	539
CROMPTON GREAVES LTD. of Rs.2/-	130008	319	381
GREAT EASTERN SHIPPING LTD. of Rs. 10/-	34469	108	107
GLODYNE TECHNOSERVE LTD. of Rs. 6/-	19000	149	179
GREAVES COTTON LIMITED of Rs. 2/-	79285	275	289
HCL TECHNOLOGIES LTD. of Rs. 2/-	142363	591	652
HOUSING DEVELOPMENT FINANCE CORPORATION LTD. of Rs. 2/-	35000	455	481
HDFC BANK LTD. of Rs. 10/-	10000	231	235
HINDALCO INDUSTRIES LTD. of Re.1/-	200000	316	368
ITC LTD. of Re.1/-	400000	676	665
JAIPRAKASH ASSOCIATES LTD. of Rs. 2/-	76904	103	79
LARSEN & TOUBRO LTD. of Rs. 2/-	1779	32	32
K.S. OIL LTD. of Re. 1/-	500000	284	304
MAHINDRA & MAHINDRA LTD. of Rs. 5/-	20000	106	131
MARG LTD. of Rs. 10/-	12356	18	19
ONGC LTD. of Rs. 10/-	25000	331	326
PRAKASH INDUSTRIES LTD. of Rs.10/-	44000	79	80
RELIANCE INFRASTRUCTURE LTD. of Rs.10/-	17971	181	193
SKS MICROFINANCE LTD. of Rs. 10/-	44000	526	281
STATE BANK of INDIA of Rs.10/-	5000	114	121
TATA MOTORS LTD. of Rs.10/-	20000	151	164
TRENT LTD. of Rs. 10/-	15000	161	176
II. Units of Rs. 10/- each, fully paid up			
HDFC CASH MANAGEMENT FUND-TREASURY ADVANTAGE -RETAILS -WEEKLY DIVIDEND	120509.278	12	12
HDFC CASH MANAGEMENT FUND-TREASURY ADVANTAGE -WHOLESALE -WEEKLY DIVIDEND	73454674.974	7365	7365
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM GROWTH	979106.797	1699	1709
KOTAK FLOATER LONG TERM -GROWTH	2452465.782	360	365
RELIANCE MONEY MANAGER FUND - INSTITUTIONAL -GROWTH	333994.100	4230	4234
RELIANCE MEDIUM TERM FUND - RETAIL -GROWTH	55682125.611	10810	10852

SCHEDULES CONTINUED

	As at 31.03.2011 (Rupees in Lacs)	As at 31.03.2010 (Rupees in Lacs)
SCHEDULE : 7		
Inventories - (At cost or net realisable Value whichever is lower is certified by the management)		
Trading Items	4808	128
TOTAL	4808	128
SCHEDULE : 8		
Sundry Debtors (Unsecured, Considered good)		
(a) Debts outstanding for over six months	42	0
(b) Other debts	72928	9296
TOTAL	72970	9296
SCHEDULE : 9		
Cash & Bank Balances :		
(a) Cash in hand	83	89
(b) Balances with Scheduled Banks		
(i) In Current Accounts & EEFC Account	3496	2732
(ii) In Unclaimed Dividend Accounts	17	21
(iii) In Fixed Deposits (Including interest accrued but not due)	61343	7087
TOTAL	64939	9929
SCHEDULE : 10		
Loans & Advances - (Unsecured, Considered Good)		
(a) Security Deposits	7	9
(b) Advances recoverable in cash or in kind or for value to be received or pending adjustments	7926	4941
(c) Advances for Properties	5237	4623
(d) Loans & Advances	8430	9712
(e) Due from wholly owned subsidiary Companies :		
(i) Arti Web Developers Pvt. Ltd. (Maximum amount due during the year Rs. 1025 Lacs (P. Y. Rs. 1022 Lacs))	1025	1022
(ii) Sukhdham Constructions & Developers Ltd. (Maximum amount due during the year Rs. 2583 Lacs (P. Y. Rs. 2424 Lacs))	2583	2289
(iii) MK Web-Tech Pvt. Ltd. (Maximum amount due during the year Rs.1258 Lacs (P. Y. Rs.1375 Lacs))	1045	1258
(iv) KPL Exports Pvt. Ltd. (Maximum amount due during the year Rs. 5 Lacs (P. Y. Rs. 1626 Lacs))	5	0
(v) IMK Hotels Pvt. Ltd. (Maximum amount due during the year Rs.552 Lacs (P. Y. Rs.550 Lacs))	552	550
(f) Due from other Subsidiary Company Savitri Mata Realtors Pvt. Ltd. (Maximum amount due during the year Rs.1830 Lacs (P. Y. Rs. Nil))	1830	0
(g) Deposit with Income Tax Department	3598	2888
TOTAL	32238	27292
SCHEDULE : 11		
Current Liabilities :		
(a) Sundry Creditors	73955	9133
(b) Advance Against Orders	49586	0
(c) Due to Directors and their Relatives (in Current Account)	14	7
(d) Investor Education & Protection Fund (which shall be credited by the amount of Unclaimed Dividend, wherever applicable)	17	21
(e) Outstanding Liabilities	323	11
TOTAL	123895	9172
SCHEDULE : 12		
Provisions:		
(a) Proposed Final Dividend including Dividend Tax Rs. 237 Lacs (P. Y. Rs. 220 Lacs)	1696	1547
(b) Provision for Tax	3304	2930
TOTAL	5000	4477

SCHEDULES CONTINUED

	As at 31.03.2011 (Rupees in Lacs)	As at 31.03.2010 (Rupees in Lacs)
SCHEDULE : 13		
Sales :		
Trading Items	133372	34872
TOTAL	<u>133372</u>	<u>34872</u>

SCHEDULE : 14		
Increase / Decrease in stock :		
Opening Stock of Trading Items	128	41
Closing Stock of Trading Items	4809	128
TOTAL	<u>4681</u>	<u>87</u>

	For the Year Ended 31.03.2011 (Rupees in Lacs)	For the Year Ended 31.03.2010 (Rupees in Lacs)
SCHEDULE : 15		
Other Income :		
(a) Interest Earned on Bank Deposits & Others [Gross, T.D.S. Rs.139 Lacs (P. Y. Rs. 39 lacs)]	1060	219
(b) Dividend Income (Gross, TDS - Rs. NIL (P. Y. Rs. Nil))	173	292
(c) Interest on Loans & Advances [Gross, T.D.S. Rs.122 Lacs (P. Y. Rs. 10 Lacs)]	1220	98
(d) Interest on Loan to Subsidiary [Gross, T.D.S. Rs.11 Lacs (P. Y. Rs.24 Lacs)]	111	120
(e) Profit on Relinquishment of Rights [Gross, T.D.S. Rs. Nil (P.Y. Rs. 411 Lacs)]	127	4108
(f) Profit on Sale of Long Term, Non Trade Investments-Net of expenses	2356	3335
(g) Difference in Conversion of Foreign Currency	334	92
(h) Profit on Derivatives- Commodities	125	0
(i) Profit on sale of Fixed assets	58	0
(j) Miscellaneous Receipts	29	136
TOTAL	<u>5593</u>	<u>8400</u>

SCHEDULE : 16		
Purchases		
Purchases of Trading Items	132372	31143
TOTAL	<u>132372</u>	<u>31143</u>

SCHEDULES CONTINUED

	For the Year Ended 31.03.2011 (Rupees in Lacs)		For the Year Ended 31.03.2010 (Rupees in Lacs)	
SCHEDULE : 17				
Administrative, Selling & Distribution Expenses				
Electricity Charges		27		31
Payments to & Provisions for Employees :				
Salaries, Wages and Bonus	73		69	
Contribution to Provident and other Funds	5		4	
Gratuity	1		1	
Staff welfare and Other Expenses	<u>26</u>	105	<u>19</u>	93
General Insurance		15		11
Transit Insurance		6		3
Demurrage Charges		83		578
Freight & Cartage Inward		1240		109
Rent	99		54	
Rates & Taxes	<u>1</u>	100	<u>2</u>	56
Repairs :				
Building	1		1	
Others	<u>16</u>	17	<u>59</u>	60
Freight and Cartage Outward		153		1865
Port Duty Expenses		49		14
Selling & Distribution Expenses		94		295
Custom Duty Charges		587		404
Travelling & Conveyance		112		87
Bank Charges & Commission		774		149
Bank Interest		273		40
Miscellaneous Expenses		225		95
Loss on Sale of Fixed Assets		0		15
Payment to Auditors :				
Statutory Audit Fee	1		1	
Tax Audit Fee	<u>1</u>	2	<u>1</u>	2
Payment to Directors :				
Remuneration		19		30
Sitting Fee		0		0
TOTAL		<u>3881</u>		<u>3937</u>

SCHEDULES CONTINUED

SCHEDULE : 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS :

(A) SIGNIFICANT ACCOUNTING POLICIES :

(1) System of Accounting :

The Financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

(2) Fixed Assets and Depreciation :

All fixed assets are stated at cost, comprising of purchase price, duty, levies and any direct attributable cost of bringing the assets to their working condition for the intended use.

Depreciation is provided according to straight line method at the rates prescribed by the Schedule XIV to the Companies Act, 1956 and Provision for impairment loss is recognised to the extent by which the carrying amount of an asset exceeds its recoverable amount.

(3) Investments :

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

(4) Inventories :

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

(5) Sales :

Sales are recognised on despatch of goods to the customers, net of commercial taxes i.e. central sales tax / value added tax and net of return, if any.

(6) Foreign Currency Transactions :

Foreign currency transactions are accounted at the exchange rates prevailing at the date of the transaction. Gains / Losses resulting from the settlement of such transactions and from conversion of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

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 Profit & Loss Account and the premium paid on forward contract is recognised over the life of the contract.

(7) Borrowing Cost :

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

(8) Employee Retirement Benefits :

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

(B) NOTES TO THE ACCOUNTS :

(1) Contingent Liabilities :-

- (A) Income-tax demands pending to be paid Rs. Nil (Previous Year - 1031 Lacs)
- (B) Corporate Guarantee given to Bank of India, Singapore for one of subsidiaries- Kothari Products Singapore Pte. Ltd. against credit facility of USD (\$) 56,00,000 equivalent to Rs. 2526 lacs (Previous Year Rs. 2519 Lacs)
- (C) Corporate Guarantee given to UCO Bank, Kolkata for SPPL Hotels Pvt. Ltd. of Rs. 15100 lacs (Previous Year Rs. 15100 lacs).
- (D) Guarantees given by the bank on behalf of the Company against Term Deposits Receipts for Rs. 161 lacs (Previous Year Rs. Nil)
- (E) Guarantees given by bank on behalf of Pan Parag India Limited in favour of the Registrar National Consumer Disputes Redressal Commission , New Delhi, for Rs. 42 lacs (Previous Year Rs. 42 lacs) which is secured by FDRs of Pan Parag India Limited.

- (F) Uncalled liability for 27015 partly paid equity shares of Karur Vysya Bank Ltd. of Rs.10/- each (Rs.6/- paid-up) amounting to Rs. 20 lacs (Previous Year -Nil)
- (G) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 187 lacs (Previous Year Rs. 197 lacs)

(2) ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3, 4C and 4d of Part II of Schedule vi of the Companies Act, 1956.

(A) CLASS OF GOODS AND CAPACITY :

Class of goods manufactured :- Not Applicable

(B) RAW MATERIALS CONSUMED : Not Applicable

(C) QUANTITATIVE DETAILS OF TRADING ITEMS

	UNITS	31.03.2011		31.03.2010	
		QUANTITY	AMOUNT (Rs. in Lacs)	QUANTITY	AMOUNT (Rs. in Lacs)
Opening Stock :					
Agri Products	Tons	0.000	0	0.000	0
Chemicals	Tons	22.000	9	0.000	0
Coal	Tons	0.000	0	0.000	0
Construction Material	Square Meters	0.000	0	0.000	0
Dry Fruits	Tons	0.000	0	0.000	0
Edible Oil	Tons	0.000	0	0.000	0
Gold	Tons	0.000	0	0.000	0
Machinery Items	Nos.	0	0	0	0
Metals	Tons	0.000	0	0.000	0
Minerals	Tons	0.000	0	2999.750	41
Peripherals	Nos.	0	0	0	0
Plastic	Tons	207.000	119	0.000	0
Wood	Square Meters	0.000	0	0.000	0
Purchases:					
Agri Products	Tons	47756.572	7958	18000.000	2524
Chemicals	Tons	5747.956	1507	250.000	92
Coal	Tons	213859.000	4275	0.000	0
Construction Material	Square Meters	112352.000	261	0.000	0
Dry Fruits	Tons	816.106	1860	0.000	0
Edible Oil	Tons	47015.312	15488	11455.900	3849
Gold	Tons	0.585	9658	0.000	0
Machinery Items	Nos.	14604	17927	9	8897
Metals	Tons	122678.017	32890	21454.176	4449
Minerals	Tons	337213.003	12182	335698.846	8867
Peripherals	Nos.	54252	23468	2800	1236
Plastic	Tons	8585.470	4734	2899.500	1229
Wood	Square Meters	854.890	164	0.000	0
Sales:					
Agri Products	Tons	47756.572	8037	18000.000	2605
Chemicals	Tons	5769.956	1588	228.000	84
Coal	Tons	213859.000	5462	0.000	0
Construction Material	Square Meters	112352.000	266	0.000	0
Dry Fruits	Tons	816.106	1935	0.000	0
Edible Oil	Tons	47015.312	16048	11455.900	4019
Gold	Tons	0.585	9632	0.000	0
Machinery Items	Nos.	14604	18311	9	9202
Metals	Tons	122678.017	33692	21454.176	4761
Minerals	Tons	236393.813	9895	338698.596	11725
Peripherals	Nos.	54252	23950	2800	1270
Plastic	Tons	7823.670	4390	2692.500	1206
Wood	Square Meters	854.890	166	0.000	0

	UNITS	31.03.2011		31.03.2010	
		QUANTITY	AMOUNT (Rs. in Lacs)	QUANTITY	AMOUNT (Rs. in Lacs)
Closing Stock :					
Agri Products	Tons	0.000	0	0.000	0
Chemicals	Tons	0.000	0	22.000	9
Coal	Tons	0.000	0	0.000	0
Construction Material	Square Meters	0.000	0	0.000	0
Dry Fruits	Tons	0.000	0	0.000	0
Edible Oil	Tons	0.000	0	0.000	0
Gold	Tons	0.000	0	0.000	0
Machinery Items	Nos.	0	0	0	0
Metals	Tons	0.000	0	0.000	0
Minerals	Tons	100819.190	4184	0.000	0
Peripherals	Nos.	0	0	0	0
Plastic	Tons	968.800	625	207.000	119
Wood	Square Meters	0.000	0	0.000	0
(D) Value & Percentage of Imported Materials Consumed :			N.A.		N.A.
			(Rs. in Lacs)		(Rs. in Lacs)
(E) Value of Imports (C.I.F.basis) :					
Trading Items			106379		21593
(F) Expenditure in Foreign Currency :					
Travelling Expenses			8		6
Import of Goods- Trading Items			106379		21593
(G) Earning in Foreign Currency :					
Export of goods on F.O.B. Basis			67104		23262
(H) Amount Remitted During the year in Foreign Currency on Account of Dividend :			NIL		NIL
(3) Payments to Auditors :					
(a) As Auditors			1		1
(b) For Tax Audit			1		1
(c) For Certification work			0		0
(d) For Consultancy Charges to the Partners of the Firm			18		17
(4) Payment to Directors :					
(a) Managerial Remuneration			20		30
(b) Gratuity			1		1
(c) Perquisites			17		16
(d) Sitting Fees			0		0
			38		47

(5) 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:-

PARTICULARS

**For the year ended
31.03.2011
(Rs. In Lacs)**

**For the year ended
31.03.2010
(Rs. in Lacs)**

(A) Segment Revenue (Net Sales/ Income)

(a) Trading Items	133372	34872
(b) Real Estate etc.	0	0
	<u>133372</u>	<u>34872</u>

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

(a) Trading Items	3723	618
(b) Real Estate etc.	3860	7577
Net Profit Before Interest	7583	8195
(c) Interest Expenses	273	37
(d) Unallocated Expenses	0	0
Net Profit Before tax	7310	8158

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

As at 31.03.2011

As at 31.03.2010

(a) Trading Items	18315	23007
(b) Real Estate etc. (Capital employed is net of inter-segmental transfer)	41371	32214
	<u>59686</u>	<u>55221</u>

(6) 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 Management Personnel & their Relatives :

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

(B) Associate Companies :

- (a) Kothari Detergents Limited
- (b) Ekta Flavours Pvt. Limited
- (c) Dham Securities Pvt. Limited
- (d) Lohewala Construction Pvt. Limited
- (e) Parmy Manufactory Pvt. Ltd.
- (f) DK Web-Tech Pvt. Ltd.
- (g) Pan Parag India Limited
- (h) Bhojeshwar Realtors Private Limited
- (i) Hara Parvati Realtors Pvt. Ltd.
- (j) Real Griha Nirman Private Ltd.
- (k) Subhadra Realtors Private Limited
- (l) Sankhya Realtors Private Limited
- (m) SPPL Hotels Private Limited
- (n) Taurus Agile Technologies Corporation Private Limited

(C) Subsidiary Companies :

- (a) Sukhdham Constructions & Developers Limited
- (b) Arti Web-Developers Private Limited
- (c) MK Web-Tech Pvt. Limited
- (d) KPL Exports Pvt. Limited
- (e) Kothari Products Singapore Pte. Limited
- (f) IMK Hotels Pvt. Limited
- (g) Savitrimata Realtors Pvt. Limited

(ii) Summary of Transactions :

Particulars	(Rs. in Lacs)					
	Key Management Personnel & Relatives		Associate Companies		Subsidiary Companies	
	For the year ended/As on		For the year ended/As on		For the year ended/As on	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Directors' Remuneration etc.	20	30	0	0	0	0
On Account of Expenses	0	0	36	32	0	0
On Account of Income - Rent	0	0	12	12	1	1
Interest Income on Loan Given	0	0	1220	99	111	120
Investment in Shares during the year	0	0	255	540	1505	0
Dividend Paid	848	424	147	73	0	0
Outstanding (Payable)	1902	6	0	0	0	0
Outstanding (Receivable)	0	0	8430	9712	7040	5119

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

	2010-11 (Rs. in Lacs)	2009-10 (Rs. in Lacs)
(7) Earning Per Share :		
(a) Profit after tax (Profit attributable to Equity Shareholders)	6161	6684
(b) Weighted average nos. of Equity shares for Basic / Diluted EPS	6631970	6631970
(c) Nominal Value of Equity Share (in Rs.)	10.00	10.00
(d) Basic Earning per Equity Share (in Rs.)	92.90	100.78
(e) Diluted Earning per Equity Share (in Rs.)	92.90	100.78

(8) In terms of Accounting Standard 16 'Borrowing Cost' issued by the Institute of Chartered Accountants of India, the company has not borrowed any funds to acquire, build and install any fixed assets and other assets during the year.

(9) The deferred tax liability amounting to Rs. 54 lacs (Previous year Rs.76 lacs) is on account of time difference of Depreciation which is capable of being reversed in one or more subsequent years. The deferred tax liability amounting to Rs.23 lacs (Previous year Rs. 24 lacs was provided) has been reversed.

(10) Disclosures as required by the Accounting Standard 19- 'Accounting for Leases' -

- (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 in Schedule 17.
- (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 grouped with Miscellaneous Receipts in Schedule 15.

(11) 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.

(12) 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.

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

(Figures in Lacs)

Particulars of Derivatives	Derivative Contracts	31.03.2011		31.03.2010		Purpose
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	95	4285	0	0	Hedge of Export and other Receivable
Buy	USD/INR	837	37768	20	914	Hedge of Import and other Payables

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

(Figures in Lacs)

Particulars	Contracts	31.03.2011		31.03.2010	
		Amount in Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	1099	49582	95	4259
Import and other Payables	USD	1788	80631	133	5969

- (14) Fixed Deposits at principal value includes Rs.60592 lacs (Previous year Rs.7012 lacs) pledged with the banks as margin money or as collateral towards credit limits sanctioned by them.
- (15) There is no amount due to be transferred to 'Investor Education & Protection Fund' maintained by the Government of India as at the year end.
- (16) Sundry creditors include Rs. Nil (Previous Year Rs.Nil) due to Micro Enterprises and Small enterprises, based on the records and the information received from suppliers.
- (17) The Company has invested in 51% class B equity shares (having 26% voting & dividend rights) of M/s Savitrimata Realtors Pvt. Ltd., thereby making it a subsidiary of the Company for a total consideration of Rs. 106 Lacs and this has resulted into goodwill amounting to Rs. 109 Lacs on acquisition.
- (18) The Board of directors consider the diminution in value of its Long Term Investments as temporary in nature and therefore no provision for the same has been done in the books of accounts.
- (19) The figures of previous year have been regrouped, recast wherever considered necessary to make them comparable with those of the current year.

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn No. 000226C
Chartered Accountants

For and on behalf of the Board

Place : Kanpur
Dated: 30th May, 2011

(ANURAG TANDON) Partner
Membership No. 078862

(DEEPAK KOTHARI) Chairman & Managing Director

(MITESH KOTHARI) Executive Director

(RAJ KUMAR GUPTA) Company Secretary



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	6254	State Code	20
Balance Sheet Date	31.03.2011		

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)

Total Liabilities	19757421	Total Assets	19757421
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Sources of Funds :

Paid-Up Capital	66320	Reserves & Surplus	5902252
Secured Loans	705008	Unsecured Loans	189000
Deferred Tax Liabilities	5354		

Application of Funds :

Net Fixed Assets	198120	Investments	2063777
Net Current Assets	4606037	Misc. Expenditure	0

IV. PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover	13337156	Total Expenditure	13165530
Other Income	559382		
Profit Before Tax	731007	Profit After Tax	616086
Earnings per share (in Rs.)	92.90	Dividend Rate %	220.00

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF COMPANY (TRADING)

Item Code No. (ITC Code)	72042990	Item Code No. (ITC Code)	27011920
Product Description	Heavy Melting Steel Scrap	Product Description	Coal
Item Code No. (ITC Code)	27011920		
Product Description	Iron Ore Fines		

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Registration No. 000226C
Chartered Accountants

For and on behalf of the Board

Place : Kanpur	(ANURAG TANDON)	(DEEPAK KOTHARI)	(MITESH KOTHARI)	(RAJ KUMAR GUPTA)
Dated: 30th May, 2011	Partner	Chairman & Managing Director	Executive Director	Company Secretary
	Membership No. 078862			

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

As per the Listing Agreement

Particulars	2010-2011		(Rs. in Lacs) 2009-2010	
(A) CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax		7310		8158
adjustments for				
– Depreciation	83		121	
– Unrealised Forex Gain	-33		-79	
– Profit (-) / Loss on Sale of Assets	-58		15	
– Profit (-)/Loss on Sale of Investments	-2356		-3335	
– Interest expenses	273		37	
– Interest Income on Loans & Advances	-1332		-438	
– Dividend Income	-173	-3596	-292	-3971
Operating Profit before working capital changes		3714		4187
adjustment for				
– Trade & Other Receivables	-17797		-14872	
– Inventories	-4680		-87	
– Trade Payables	65286	42809	7111	-7848
Cash Generated from Operations		46523		-3661
Direct Taxes Paid		-1508		-1398
Net Cash flow from Operating Activities		45015		-5059
(B) CASH FLOW FROM INVESTING ACTIVITIES :				
– Purchase of Fixed Assets	-1080		-246	
– Sale of Fixed Assets	88		30	
– Purchase of Investments	-8405		-5908	
– Investments in Subsidiary Companies	-1505		0	
– Sale of Investments	13702		15220	
– Loans to Subsidiary Companies (Net)	-1921		765	
– Loans to Other Corporates	1282		222	
– Interest Income on Loans & Advances	1332		438	
– Dividend Received	173	3666	292	10813
Net Cash used in Investing Activities		3666		10813
(C) CASH FLOW FROM FINANCING ACTIVITIES :				
– Bills discounted from bank	-787		787	
– Secured Loans from banks	7050		0	
– Loans from director	1890		0	
– Dividend Paid	-1331		-663	
– Tax on Dividend Paid	-220		-113	
– Interest Paid	-273	6329	-37	-26
Net Cash used in Financing Activities		6329		-26
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)		55010		5728
Cash & Cash Equivalents - Opening Balance		9929		4201
Cash & Cash Equivalents - Closing Balance		64939		9929

Note:

- The Closing Cash & Cash Equivalents include TDRs at principal value of Rs.60592 Lacs (Previous year Rs.7012 Lacs) pledged or given as margin money to banks.
- The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of the current year.

For MEHROTRA & MEHROTRA
Firm Registration No. 000226C
Chartered Accountants

For and on behalf of the Board

Place : Kanpur	(ANURAG TANDON) Partner	(DEEPAK KOTHARI) Chairman & Managing Director	(MITESH KOTHARI) Executive Director	(RAJ KUMAR GUPTA) Company Secretary
Dated: 30th May, 2011	Membership No. 078862			

CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors,
Kothari Products Limited

1. We have audited the attached Consolidated Balance Sheet of Kothari Products Limited and its subsidiaries as at 31st March, 2011 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These consolidated financial statements are the responsibility of the Kothari Products Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Kothari Products Limited's management in accordance with the requirements of Accounting Standard (AS-21) - Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate financial statements of Kothari Products Limited and its subsidiaries included in the consolidated financial statement.
4. In our opinion and to the best of our information and explanations given to us, the said accounts read with Significant Accounting Policies and Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Kothari Products Limited and its subsidiaries as at 31st March, 2011;
 - (b) in the case of Consolidated Profit & Loss Account, of the Profit of the Kothari Products Limited and its subsidiaries for the year ended on that date; and
 - (c) in the case of Consolidated Cash Flow Statement, of the Cash Flows of Kothari Products Limited and its subsidiaries for the year ended on that date.

For MEHROTRA & MEHROTRA,
Firm Registration No. 000226C
Chartered Accountants,

(ANURAG TANDON)
Partner

Membership No. 078862

PLACE : KANPUR
DATE : 30th May, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule Nos.	As at 31.03.2011 (Rupees in Lacs)	As at 31.03.2010 (Rupees in Lacs)
SOURCES OF FUNDS			
(A) Shareowners' Fund			
(a) Share Capital	1	663	663
(b) Reserves & Surplus	2	60870	55985
(B) Minority Interest		-3	0
(C) Loan Fund			
(a) Secured Loans	3	7064	0
(b) Unsecured Loans	4	7542	835
(D) Deferred Tax Liability		46	68
TOTAL		<u>76182</u>	<u>57551</u>
APPLICATION OF FUNDS			
(A) Fixed Assets	5		
(a) Gross Block		7595	7174
(b) Less: Depreciation & Impairment Losses		<u>812</u>	<u>755</u>
(c) Net Block		6784	6419
(d) Capital Work in Progress		<u>990</u>	<u>29</u>
(B) Investments	6	19164	22103
(C) Current Assets, Loans & Advances			
(a) Inventories	7	11106	177
(b) Sundry Debtors	8	78645	10952
(c) Cash & Bank Balances	9	69464	11118
(d) Loans & Advances	10	28189	23329
		<u>187404</u>	<u>45576</u>
Less: Current Liabilities & Provisions			
(a) Current Liabilities	11	132524	11547
(b) Provisions	12	<u>5636</u>	<u>5030</u>
		138160	16577
Net Current Assets		49244	28999
Miscellaneous Expenses to the extent not written off			
(a) Preliminary Expenses		1	1
(b) Preoperative Expenses		<u>0</u>	<u>0</u>
TOTAL		<u>76182</u>	<u>57551</u>
Significant Accounting Policies & Notes to the Accounts	18		

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn No. 000226C
Chartered Accountants

For and on behalf of the Board

Place : Kanpur
Dated: 30th May, 2011

(ANURAG TANDON)
Partner
Membership No. 078862

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

(RAJ KUMAR GUPTA)
Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule Nos.	For the Year Ended 31.03.2011 (Rupees in Lacs)	For the Year Ended 31.03.2010 (Rupees in Lacs)
INCOME			
Sales	13	158534	57220
Increase/Decrease in stock (+/-)	14	4632	136
Other Income	15	5811	9051
TOTAL		168977	66407
EXPENDITURE			
Purchase	16	155801	53020
Administrative, Selling & Distribution Expenses	17	5158	4457
Preliminary & Preoperative Expenses Written off		0	1
Depreciation		119	155
TOTAL		161078	57633
PROFIT BEFORE TAXATION		7899	8774
PROVISION FOR TAXES :			
Current Tax		1850	1624
Deferred Tax		-22	24
Tax Adjustments for Earlier Years		-529	0
PROFIT AFTER TAXATION		6600	7126
LESS : Minority Interest		0	0
PROFIT AFTER TAXATION & MINORITY INTEREST		6600	7126
Balance Brought Forward		22233	17322
AMOUNT AVAILABLE FOR APPROPRIATION		28833	24448
APPROPRIATIONS :			
Transfer to General Reserve		616	668
Proposed Dividend on Equity Shares		1459	1326
Provision for Tax on Proposed Dividend		237	221
Balance Carried Forward to Balance Sheet		26521	22233
Earning per share of Rs. 10/- each			
Basic (Rs.)		99.52	107.44
Diluted (Rs.)		99.52	107.44
Significant Accounting Policies & Notes to the Accounts	18		

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Regn No. 000226C
Chartered Accountants

For and on behalf of the Board

Place : Kanpur	(ANURAG TANDON) Partner	(DEEPAK KOTHARI) Chairman & Managing Director	(MITESH KOTHARI) Executive Director	(RAJ KUMAR GUPTA) Company Secretary
Dated: 30th May, 2011	Membership No. 078862			

SCHEDULE : 1
Share Capital :
Authorised :

11000000 Equity Shares of Rs.10/- each 1100 1100

Issued, Subscribed and Paid up :

6631970 Equity Shares of Rs.10/- each fully paid up
(Including 4800000 shares of Rs. 10/- each
alloted as fully paid up Bonus Shares by
Capitalisation of General Reserve) 663 663

TOTAL 663 663

SCHEDULE : 2
Reserves & Surplus :

(a) Preference Shares Redemption Reserve	3		3	
(b) Foreign Currency Translation Reserve	-21		-2	
(c) General Reserve :				
As at Commencement of the year	33751		33083	
Add : Transferred from Profit & Loss Account	616	34367	668	33751
(d) Profit & Loss Account - As per account annexed		26521		22233
TOTAL		60870		55985

SCHEDULE : 3
Secured Loans :

Over Draft against TDRs from Allahabad Bank	1400		0	
Over Draft against TDRs from Canara Bank	2100		0	
Over Draft against TDRs from Punjab National Bank	14		0	
Cash Credit Limited From Bank of India	8		0	
Export Packing Credits from:				
Allahabad Bank	1209		0	
Bank of India	1000		0	
Canara Bank	350		0	
Uco Bank	983		0	
TOTAL		7064		0

Note:
Bank of India:
Prime Securities:

First pari passu charge by way of Hypothecation of Stocks and book debts.

Collateral Securities:

Exclusive charge by way of Equitable Mortgage of Property at Bangalore owned by other Company. Personal guarantee of two directors.

Allahabad Bank:
Prime Securities:

Hypothecation charge on current assets of the company both current and future, ranking pari passu with other multiple bankers.

Collateral Securities:

Term Deposit worth Rs. 400 lacs, Equitable mortgage of property at Noida and personal guarantee of two directors.

Canara Bank:

Prime Securities:

Hypothecation of Stocks and Book Debts.

Collateral Securities:

Term Deposit of Rs. 295 lacs and personal guarantee of two directors.

UCO Bank :

Prime Securities:

First pari passu charge by way of hypothecation on the entire movable fixed and current assets of the company (both current and future) with existing Working Capital lenders.

Collateral Securities:

Rs. 300 lacs by way of collateral in the form of Term Deposit Receipt.

Punjab National Bank :

Prime Securities:

Hypothecation charge on current assets of the company.

Collateral Securities:

Equitable mortgage of property at Bangalore owned by wholly owned subsidiary.

Yes Bank Limited:

Prime Securities:

First pari passu charge over all the current assets and movable fixed assets of the Company (both current and future).

Collateral Securities:

Unconditional and irrevocable personal guarantee of two directors.

As at
31.03.2011
(Rupees in Lacs)

As at
31.03.2010
(Rupees in Lacs)

SCHEDULE : 4

Unsecured Loans :

Bills discounted from Banks	290	835
Trust Receipts	892	0
Loans from Body Corporate (Payable on Demand)	4470	0
Loan from Directors	1890	0
TOTAL	<u>7542</u>	<u>835</u>

SCHEDULES CONTINUED
SCHEDULE : 5 Fixed Assets :

(CONSOLIDATED)

(Rupees in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31.03.2010	Additions	Transfer* As at 31.03.2011	Upto 31.03.2010	For the Year	Adjust-** ments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Freehold Land	267	460	0	251	0	0	251	476	16
Building (Office)	2302	0	0	197	37	0	234	2068	2105
Building (Factory)	156	0	156	31	0	31	0	0	125
Flats	3429	0	14	2	0	1	1	3414	3427
Motor Cars/Scooters	695	47	32	191	67	20	238	472	504
Computers	21	6	2	8	5	1	12	13	13
Office Equipment	132	7	13	30	6	8	28	98	102
Temporary Structure	40	0	0	40	0	0	40	0	0
Furniture & Fixture	35	8	-2	5	4	1	8	37	30
Goodwill	97	108	0	0	0	0	0	205	97
TOTAL	7174	636	215	755	119	62	812	6783	6419
PREVIOUS YEAR	6988	250	64	618	155	18	755	6419	

* Includes the figures of gross block of fixed assets for previous year of newly acquired subsidiary company- Savitrimata Realtors Pvt. Ltd.

**Includes the figures of accumulated depreciation of fixed assets for previous year of newly acquired subsidiary company- Savitrimata Realtors Pvt. Ltd.

SCHEDULES CONTINUED

Quantity (Nos.)		Amount (Rupees in Lacs)	
As at	As at	As at	As at
31.03.2011	31.03.2010	31.03.2011	31.03.2010

SCHEDULE : 6
Investments — Long Term (At cost) :
(1) Held as on 31.03.2011
A. QUOTED – NON TRADE
I. MUTUAL FUNDS:
Units of Rs. 10/- each, fully paid up

HDFC CASH MANAGEMENT SAVINGS PLUS - WEEKLY DIVIDEND	119464.321	15017.922	12	1
HDFC CASH MANAGEMENT FUND-TREASURY ADVANTAGE PLAN				
WHOLESALE-WEEKLY DIVIDEND	4281031.230	9861995.451	429	989
HDFC CASH MANAGEMENT FUND-TREASURY ADVANTAGE				
PLAN-RETAIL-WEEKLY DIVIDEND	0.000	76930.669	0	8
KOTAK SELECT FOCUS FUND- DIVIDEND	0.000	3370464.547	0	345

II. EQUITY SHARES, EACH FULLY PAID UP :

APTECH LTD. of Rs.10/-	60000	120000	114	223
ALSTOM PROJECTS LTD of Rs.10/-	54721	0	415	0
BHARAT HEAVY ELECTRICALS LTD. of Rs.10/-	0	43800	0	1103
CROMPTON GREAVES LTD. of Rs.2/-	173092	0	548	0
CUMMINS INDIA LTD of Rs.2/-	88161	0	661	0
DHANLAKSHMI BANK LTD. of Rs.10/-	237429	0	403	0
DIVI'S LABORATORIES LTD. of Rs.2/-	44808	0	307	0
eCLERX SERVICES LTD. of Rs.10/-	35000	0	246	0
GMR INFRASTRUCTURE LTD. of Rs.2/-	0	12000	0	9
GUJARAT STATE PETRONET LTD. of Rs.10/-	425000	0	499	0
GREAVES COTTON LIMITED of Rs. 2/-	552870	0	484	0
GODREJ PROPERTIES LTD. of Rs.10/-	34934	0	258	0
HAVELL'S INDIA LTD. of Rs.5/-	107602	0	414	0
INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LTD. of Rs.10/-	280000	0	551	0
INFOSYS TECHNOLOGIES LTD. of Rs.5/-	0	5000	0	139
JAIPRAKASH ASSOCIATES LTD. of Rs.2/-	0	138000	0	221
JSW STEEL LTD. of Rs.10/-	77500	0	932	0
KARUR VYSYA BANK LTD. of Rs.10/-	67538	0	380	0
LARSEN & TOUBRO LTD. of Rs. 2/-	0	54200	0	920
MAHINDRA & MAHINDRA of Rs.5/-	0	10000	0	53
MPHASIS LTD. of Rs.10/-	0	17000	0	111
NHPC LTD. of Rs.10/-	167396	167396	60	60
OIL INDIA LIMITED of Rs.10/-	40000	0	559	0
POWER FINANCE CORPORATION LTD. of Rs.10/-	110771	0	389	0
RELIANCE CAPITAL LTD. of Rs.10/-	0	3000	0	27
RELIANCE COMMUNICATION LTD. of Rs. 5/-	0	74519	0	471
RELIANCE INDUSTRIES LTD. of Rs. 10/-	0	700000	0	5043
RELIANCE INFRASTRUCTURE LTD. of Rs. 10/-	0	15000	0	170
RURAL ELECTRICATION CORPORATION LTD. of Rs.10/-	177089	0	627	0
SHOPPERS STOP LTD. of Rs. 10/-	0	13779	0	33
STATE BANK OF INDIA of Rs. 10/-	15	10156	0	208
SUZLON ENERGY LTD. of Rs. 2/-	0	108835	0	116
SHREE CEMENT LTD. of Rs.10/-	9991	0	208	0
TATA MOTORS LTD. of Rs. 10/-	0	10000	0	74
TCS LTD. of Re.1/-	0	12000	0	95
UFLEX INDUSTRIES LTD. of Rs.10/-	508726	508726	532	532
UNITECH LTD. of Rs.2/-	0	75000	0	82
ULTRATECH CEMENT LTD. of Rs.10/-	50000	0	557	0
WHIRLPOOL OF INDIA LTD. of Rs.10/-	125000	0	394	0
ZYLOG SYSTEMS LTD. of Rs.10/-	50000	0	281	0

III. EQUITY SHARES, EACH PARTLY PAID UP :

KARUR VYSYA BANK LTD. of Rs.10/- EACH Rs.6/- PAID UP	27015	0	20	0
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SCHEDULES CONTINUED

	Quantity (Nos.)		Amount (Rupees in Lacs)	
	As at 31.03.2011	As at 31.03.2010	As at 31.03.2011	As at 31.03.2010
SCHEDULE : 6				
IV. DEBENTURES & BONDS :				
0 % REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF DSP MERRILL LYNCH CAPITAL LTD. OF RS. 100000/- EACH.	0	980	0	980
Aggregate Cost		TOTAL (A)	10280	12013
Aggregate Market Value			9115	13893
B. UNQUOTED				
I. NON TRADE				
(a) NATIONAL SAVING CERTIFICATE (DEPOSITED WITH SALES TAX)			0	0
(b) CAPITAL CONTRIBUTION IN INDIA GROWTH FUND			447	481
(c) APPLICATION MONEY FOR SHARES			5220	7488
(d) EQUITY SHARES OF BIO-ETHANOL AGRO INDUSTRIES LTD. OF RS.10/- EACH, FULLY PAID-UP	500000	0	175	0
(e) EQUITY SHARES OF WARASGAON LAKE VIEW HOTELS LIMITED OF RS.10/- EACH, FULLY PAID-UP	66500	0	666	0
II. TRADE				
(a) Investments in Equity Shares of other Companies, each Fully paid up				
BHOJESWAR REALTORS PRIVATE LTD. of Rs.10/-	10000	10000	1	1
HARA PARVATI REALTORS PVT. LTD. Of Rs. 10/-	12750	12750	1	1
REAL GRIHA NIRMAN PRIVATE LTD. of Rs.10/-	10000	10000	1	1
SHUBHADRA REALTORS PRIVATE LTD. of Rs.10/-	10000	10000	1	1
SANKHYA REALTORS PRIVATE LTD. of Rs.10/-	10000	10000	1	1
SPPL HOTELS PRIVATE LTD. of Rs.10/-	127500	127500	13	13
TAURUS AGILE TECHNOLOGY CORPORATION PRIVATE LTD. of Rs.10/-	1650000	1650000	1000	1000
(b) Investment in Preference Shares of other companies, each fully paid-up of Rs. 10/- each				
0.001% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF SPPL HOTELS PVT. LTD.	802486	802486	767	767
0.001% OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES OF HARA PARVATI REALTORS PVT. LTD.	849233	707880	591	336
		TOTAL (B)	8884	10090
		TOTAL (A+B)	19164	22103

SCHEDULES CONTINUED

SCHEDULE : 6

For the year ended 31.03.2011
Quantity Purchase Sale
(Nos./Units) (Rupees in Lacs)

(2) Purchased & Sold During the Financial Year :

I. Equity Shares, each fully paid up

ALSTOM PROJECTS LTD. of Rs.10/-	51147	381	405
BAJAJ ELECTRICALS LTD. of Rs.10/-	52581	120	162
BHARAT HEAVY ELECTRICALS LTD. of Rs.10/-	800	20	20
CAMSON BIOTECHNOLOGIES LTD. of Rs.10/-	289358	497	539
CROMPTON GREAVES LTD. of Rs.2/-	130008	319	381
GREAT EASTERN SHIPPING LTD. of Rs.10/-	34469	108	107
GLODYNE TECHNOSERVE LTD. of Rs. 6/-	19000	149	179
GREAVES COTTON LIMITED of Rs. 2/-	79285	275	289
HCL TECHNOLOGIES LTD. of Rs.2/-	142363	591	652
HOUSING DEVELOPMENT FINANCE CORPORATION LTD. of Rs. 2/-	35000	455	481
HDFC BANK LTD. of Rs.10/-	10000	231	235
HINDALCO INDUSTRIES LTD. of Re.1/-	200000	316	368
ITC LTD. of Re.1/-	400000	676	665
JAIPRAKASH ASSOCIATES LTD. of Rs. 2/-	76904	103	79
LARSEN & TOUBRO LTD. of Rs. 2/-	1779	32	32
K.S. OIL LTD. of Re. 1/-	500000	284	304
MAHINDRA & MAHINDRA LTD. of Rs.5/-	20000	106	131
MARG LTD. of Rs.10/-	12356	18	19
ONGC LTD. of Rs.10/-	25000	331	326
PRAKASH INDUSTRIES LTD. of Rs.10/-	44000	79	80
RELIANCE INFRASTRUCTURE LTD. of Rs.10/-	17971	181	193
SKS MICROFINANCE LTD. of Rs.10/-	44000	526	281
STATE BANK OF INDIA of Rs.10/-	5000	114	121
TATA MOTORS LTD. of Rs.10/-	20000	151	164
TRENT LTD. of Rs.10/-	15000	161	176

II. Units of Rs. 10/- each, fully paid up

HDFC CASH MANAGEMENT FUND-TREASURY ADVANTAGE -RETAILS -WEEKLY DIVIDEND	120509.278	12	12
HDFC CASH MANAGEMENT FUND-TREASURY ADVANTAGE -WHOLESALE -WEEKLY DIVIDEND	73454674.974	7365	7365
ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM GROWTH	979106.797	1699	1709
KOTAK FLOATER LONG TERM -GROWTH	3785002.657	563	568
RELIANCE MONEY MANAGER FUND - INSTITUTIONAL -GROWTH	333994.100	4230	4234
RELIANCE MEDIUM TERM FUND - RETAIL -GROWTH	55682125.611	10810	10852
RELIGARE ULTRA SHORT TERM FUND-REGULAR GROWTH	1390309.489	175	180

SCHEDULE : 7

Inventories — (At cost or net realisable value whichever is lower, as certified by the management) :

(a) Trading Items	4809		177
(b) Construction Work-in-Progress	6297		0
TOTAL	11106		177

SCHEDULE : 8

Sundry Debtors (Unsecured, Considered Good) :

(a) Debts outstanding for over six months	802		0
(b) Other debts	77843		10952
TOTAL	78645	10952	10952

SCHEDULE : 9

Cash & Bank Balances :

(a) Cash in hand	88		89
(b) Balances with Scheduled Banks			
(i) In Current Accounts & EEFC Account	5946		2921
(ii) In Unclaimed Dividend Accounts	17		21
(iii) In Fixed Deposits (Including interest accrued but not due)	63413		8087
TOTAL	69464	8087	11029

SCHEDULE : 10

Loans & Advances - (Unsecured, Considered Good) :

(a) Security Deposits	9		20
(b) Advances recoverable in cash or in kind or for value to be received or pending adjustments	10124		5302
(c) Advance for Properties	5237		4623
(d) Loans & Advances	8430		9712
(e) Deposit with Income Tax Department	4389		3672
TOTAL	28189		23329

SCHEDULE : 11

Current Liabilities :

(a) Sundry Creditors	78820		11162
(b) Advance against Orders	52809		3
(c) Due to Directors and their Relatives	14		7
(d) Investor Education & Protection Fund (which shall be credited by the amount of Unclaimed Dividend, wherever applicable)	17		21
(e) Outstanding Liabilities	864		354
TOTAL	132524		11547

SCHEDULE : 12

Provisions :

(a) Proposed Final Dividend including Dividend Tax Rs. 237 Lacs (P. Y. Rs.220 Lacs)	1696		1547
(b) Provision for Tax	3940		3483
TOTAL	5636		5030

SCHEDULE : 13
SALES :

Trading Items		158534	57220
	TOTAL	158534	57220

SCHEDULE : 14
Increase (+) / Decrease (-) in stock :

Opening Stock of Trading Items		177	41
Closing Stock of Trading Items		4809	177
		4632	136

SCHEDULE : 15
Other Income :

(a) Interest Earned on Bank Deposits & Others (Gross, T.D.S. Rs.142 Lacs (P.Y. Rs.339 Lacs))		1100	1385
(b) Dividend Income (Gross, TDS Rs. Nil) (P.Y. TDS Rs. Nil)		173	292
(c) Interest on Loans & Advances (Gross, TDS Rs.122 Lacs (P.Y. Rs.10 Lacs))		1220	100
(d) Profit on Relinquishment of Rights, (Gross, TDS Rs. Nil (Previous Year Rs.411 Lacs))		127	4108
(e) Profit on Sale of Long Term, Non Trade Investments-Net of expenses		2361	3447
(f) Difference on Conversion of Foreign Currency		347	0
(g) Profit on Derivatives-Commodities		148	0
(h) Profit on sale of Assets		58	0
(i) Miscellaneous Receipts		277	381
	TOTAL	5811	9713

SCHEDULE : 16
Purchases :

Purchases of Trading Items		155801	53020
	TOTAL	155801	53020

SCHEDULE : 17

Administrative, Selling & Distribution Expenses :

Electricity Charges		29		32
Payments to & Provisions for Employees :				
Salaries, Wages and Bonus	157		121	
Contribution to Provident and other Funds	9		5	
Gratuity	0		1	
Staff welfare and Other Expenses	28	194	19	146
General Insurance		19		11
Transit Insurance		5		3
Demurrage Charges		83		578
Freight & Cartage Inward		1240		156
Rent	109		70	
Rates & Taxes	46	155	44	114
Repairs :				
Building	2		13	
Others	17	19	59	72
Freight and Cartage Outward		1130		2013
Port Duty Expenses		49		14
Difference in Conversion of Foreign Currency		0		662
Selling & Distribution Expenses		113		303
Custom Duty Charges		587		404
Travelling & Conveyance		121		95
Bank Charges & Commission		870		219
Bank Interest		273		142
Miscellaneous Expenses		246		103
Loss on Sale of Fixed Assets		0		15
Payment to Auditors :				
Statutory Audit Fee	4		6	
Tax Audit Fee	1	5	1	7
Payment to Directors :				
Remuneration		20		30
Sitting Fee		0		0
TOTAL		5158		5119

SCHEDULES CONTINUED

SCHEDULE : 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS :

(A) SIGNIFICANT ACCOUNTING POLICIES :

(1) Basis of Preparation :

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

(2) System of Accounting :

The Financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

(3) Fixed Assets and Depreciation :

All fixed assets are stated at cost, comprising of purchase price, duty, levies and any direct attributable cost of bringing the assets to their working condition for the intended use.

Depreciation is provided according to straight line method at the rates prescribed by the Schedule XIV to the Companies Act, 1956 and provision for impairment loss is recognised to the extent by which the carrying amount of an asset exceeds its recoverable amount.

The excess of cost of investment in the Subsidiary Company over the Company's portion of equity of the subsidiary at the date of investment made is recognised as Goodwill which is not considered for amortisation.

(4) Investments :

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

(5) Inventories :

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

(6) Sales :

Sales are recognised on despatch of goods to the customers, net of commercial taxes i.e. Central Sales Tax/Value Added Tax and net of returns, if any.

(7) Foreign Currency Transactions :

Foreign currency transactions are accounted at the exchange rates prevailing at the date of the transaction. Gains / Losses resulting from the settlement of such transactions and from conversion of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

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 Profit and Loss Account and the premium paid on forward contract is recognised over the life of the contract.

(8) Borrowing Cost :

Borrowing Cost that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised/ charged over qualifying asset / work-in-progress. Other borrowings costs are expensed out.

(9) Employees' Retirement Benefits :

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

(B) NOTES TO THE ACCOUNTS :

(1) CONTINGENT LIABILITIES :

- (A) Income-tax demands pending to be paid Rs. Nil (Previous Year - 1031 Lacs)
- (B) Corporate Guarantee given to UCO Bank, Kolkata for SPPL Hotels Pvt. Ltd. of Rs. 15100 Lacs (Previous Year Rs. 15100 Lacs).
- (C) Guarantees given by the banks on behalf of the Company backed against Term Deposits Receipts for Rs. 161 Lacs (Previous Year Rs. Nil)

- (D) Guarantee given by bank on behalf of Pan Parag India Limited in favour of the Registrar National Consumer Disputes Redressal Commission, New Delhi, for Rs. 42 Lacs (Previous Year Rs. 42 Lacs) which is secured by FDRs of Pan Parag India Limited.
- (E) Uncalled liability for 27015 Partly Paid Equity Shares of Karur Vysya Bank Ltd. of Rs.10/- each(Rs.6/- paid-up) amounting to Rs. 20 Lacs (Previous Year -Nil)
- (F) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 187 Lacs (Previous Year Rs. 197 lacs)

(2) ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

(A) Class of Goods and Capacity :

Class of goods manufactured : Not Applicable

(B) Raw Materials Consumed : Not Applicable

(C) Quantitative Details of Trading Items

	UNITS	31.03.2011		31.03.2010	
		QUANTITY	AMOUNT (Rs. in Lacs)	QUANTITY	AMOUNT (Rs. in Lacs)
Opening Stock :					
Agri Products	Tons	75.000	49	0.000	0
Chemicals	Tons	22.000	9	0.000	0
Coal	Tons	0.000	0	0.000	0
Construction Material	Square Meters	0.000	0	0.000	0
Dry Fruits	Tons	0.000	0	0.000	0
Edible Oil	Tons	0.000	0	0.000	0
Gold	Tons	0.000	0	0.000	0
Machinery Items	Nos.	0	0	0	0
Metals	Tons	0.000	0	0.000	0
Minerals	Tons	0.000	0	2999.750	41
Peripherals	Nos.	0	0	0	0
Plastic	Tons	207.000	119	0.000	0
Wood	Square Meters	0.000	0	0.000	0
Electronics	Nos.	0	0	0	0
Food & Edible Items	Tons	0.000	0	0.000	0
Rubber & Article	Nos.	0	0	0	0
Sacks & Jute	Nos.	0	0	0	0
Purchases:					
Agri Products	Tons	59338.572	10716	62624.855	11902
Chemicals	Tons	7763.036	1743	1130.000	250
Coal	Tons	267859.000	5093	0.000	0
Construction Material	Square Meters	205808.000	397	0.000	0
Dry Fruits	Tons	2041.106	2439	0.000	0
Edible Oil	Tons	47469.312	15716	29971.900	11675
Gold	Tons	0.585	9658	0.000	0
Machinery Items	Nos.	34659	18107	12	12045
Metals	Tons	155274.017	37262	31470.176	5816
Minerals	Tons	437743.003	20934	335698.846	8867
Peripherals	Nos.	55432	24952	2800	1236
Plastic	Tons	8585.470	4734	2899.500	1229
Wood	Square Meters	1898.890	336	0.000	0
Electronics	Nos.	285445	3088	0	0
Food & Edible Items	Tons	100.000	169	0.000	0
Rubber & Article	Nos.	29692	371	0	0
Sacks & Jute	Nos.	168000	86	0	0
Sales:					
Agri Products	Tons	59413.572	8037	62549.855	12108
Chemicals	Tons	7785.036	1588	1108.000	245
Coal	Tons	267859.000	5462	0.000	0
Construction Material	Square Meters	205808.000	266	0.000	0
Dry Fruits	Tons	2041.106	1935	0.000	0
Edible Oil	Tons	47469.312	16048	29971.900	11925

(CONSOLIDATED)

	UNITS	31.03.2011		31.03.2010	
		QUANTITY	AMOUNT (Rs. in Lacs)	QUANTITY	AMOUNT (Rs. in Lacs)
Edible Oil	Tons	47469.312	16048	29971.900	11925
Gold	Tons	0.585	9632	0.000	0
Machinery Items	Nos.	34659	18311	12	12385
Metals	Tons	155274.017	33692	31470.176	6356
Minerals	Tons	336923.813	9895	338698.596	11725
Peripherals	Nos.	55432	25464	2800	1270
Plastic	Tons	7823.670	4390	2692.500	1206
Wood	Square Meters	1898.890	166	0.000	0
Electronics	Nos.	285445	0	0	0
Food & Edible Items	Tons	100.000	0	0.000	0
Rubber & Article	Nos.	29692	0	0	0
Sacks & Jute	Nos.	168000	0	0	0
Closing Stock :					
Agri Products	Tons	0.000	0	75.000	49
Chemicals	Tons	0.000	0	22.000	9
Coal	Tons	0.000	0	0.000	0
Construction Material	Square Meters	0.000	0	0.000	0
Dry Fruits	Tons	0.000	0	0.000	0
Edible Oil	Tons	0.000	0	0.000	0
Gold	Tons	0.000	0	0.000	0
Machinery Items	Nos.	0	0	0	0
Metals	Tons	0.000	0	0.000	0
Minerals	Tons	100819.190	4184	0.000	0
Peripherals	Nos.	0	0	0	0
Plastic	Tons	968.800	625	207.000	119
Wood	Square Meters	0.000	0	0.000	0
Electronics	Nos.	0.000	0	0	0
Food & Edible Items	Tons	0.000	0	0.000	0
Rubber & Article	Nos.	0.000	0	0	0
Sacks & Jute	Nos.	0.000	0	0	0
(D) Value & Percentage of Imported Materials Consumed :			N.A.		N.A.
(E) Value of Imports (C.I.F. basis) :			(Rs. in Lacs)		(Rs. in Lacs)
Trading Items			107863		39235
(F) Expenditure in Foreign Currency :					
(a) Travelling			8		5
(b) Fixed Assets			0		0
(c) Trading Items			107863		39235
(G) Earning in Foreign Currency :					
Export of goods on F.O.B. Basis			68618		38931
(H) Amount Remitted During the Year in Foreign Currency on Account of Dividend :			NIL		NIL
(3) Payments to Auditors :					
(a) As Auditors			4		6
(b) For Tax Audit			0		0
(c) For Consultancy Charges to the Partners of the Firm			18		18
			31.03.2011		31.03.2010
			QUANTITY		QUANTITY
			AMOUNT		AMOUNT
			(Rs. in Lacs)		(Rs. in Lacs)
(4) Payments to Directors :					
(a) Managerial Remuneration			20		30
(b) Gratuity			1		1
(c) Perquisites			17		16
(d) Sitting Fees			0		0
			<u>38</u>		<u>47</u>

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

The Company operates in two segments

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

The Information about these segments are

PARTICULARS	For the year ended 31.03.2011 (Rs. in Lacs)	For the year ended 31.03.2010 (Rs. in Lacs)
(A) Segment Revenue (Net Sales/ Income)		
(a) Trading Items	158534	57220
(b) Real Estate etc.	<u>0</u>	<u>0</u>
	<u>158534</u>	<u>57220</u>
(B) Segment Results (Profit(+)/ Loss(-) Before Tax)		
(a) Trading Items	4153	945
(b) Real Estate etc.	<u>4019</u>	<u>7967</u>
Net Profit Before Exceptional Item	8172	8912
(c) Interest Expense	273	138
(d) Exceptional Items - Income	<u>0</u>	<u>0</u>
Net Profit After Exceptional Item	<u>7899</u>	<u>8774</u>
(C) Capital Employed (Segment Assets - Segment Liabilities)		
	As at 31.03.2011	As at 31.03.2010
(a) Trading Items	19554	24143
(b) Real Estate etc.	41980	32505
(Capital employed is net of inter-segmental transfer)		
	<u>61534</u>	<u>56648</u>

(6) 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 Management Personnel & their Relatives :

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

(B) Associate Companies / Firms :

- (a) Kothari Detergents Limited
- (b) Ekta Flavours Pvt. Limited
- (c) Dham Securities Pvt. Limited
- (d) Lohewala Construction Pvt. Limited
- (e) Parmy Manufactory Pvt. Ltd.
- (f) DK Web-Tech Pvt. Ltd.
- (g) Pan Parag India Limited
- (h) Bhojeshwar Realtors Private Limited
- (i) Hara Parvati Realtors Pvt. Ltd.
- (j) Real Griha Nirman Private Ltd.
- (k) Subhadra Realtors Private Limited
- (l) Sankhya Realtors Private Limited
- (m) SPPL Hotels Private Limited
- (n) Taurus Agile Technologies Corporation Private Limited

(ii) Summary of Transactions :

(Rs. in Lacs)

Particulars	Key Management Personnel & Relatives		Associate Companies	
	For the year ended/As on		For the year ended/As on	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Directors' Remuneration etc.	20	30	—	—
On Account of Expenses	0	0	36	32
On Account of Income - Rent	0	0	12	12
Interest Income on Loan Given	0	0	1220	0
Investment in shares during the year	0	0	255	540
Dividend Paid	848	424	147	73
Outstanding (Payable)	1902	6	0	0
Outstanding (Receivable)	0	0	8430	9712

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

(7) Earning Per Share :

	2010-2011 (Rs. in Lacs)	2009-2010 (Rs. in Lacs)
(a) Profit after tax (Profit attributable to Equity Shareholders)	6600	7126
(b) Weighted average nos. of equity shares for Basic / Diluted EPS	6631970	6631970
(c) Nominal Value of Equity Share (in Rs.)	10.00	10.00
(d) Basic / Diluted Earning per Equity Share (in Rs.)	99.52	107.44

(8) During the year finance cost of Rs.510 Lacs (Previous Year Rs. Nil) has been transferred to Construction Work-in-Progress a/c in accordance with Accounting Standard 16 'Borrowing Cost' issued by the Institute of Chartered Accountants of India.

(9) The deferred tax liability (net) amounting to Rs.46 Lacs (Previous Year Rs. 68 Lacs) is on account of time difference of Depreciation of Rs.54 Lacs (Previous Year Rs. 76 Lacs) and Deferred Tax assets for Property Tax Provision amounting to Rs. 8 Lacs (Previous Year Rs.8 Lacs) is on account of provision of Property Tax, which are capable of being reversed in one or more subsequent years. Further, the deferred tax liability amounting to Rs. 23 Lacs (Previous Year Rs. 24 Lacs was provided) has been reversed during the year.

(10) Disclosures as required by the Accounting Standard 19- 'Accounting for Leases' issued by the Institute of Chartered Accountants of India-

- All the lease agreements of the Company and its subsidiaries are in respect of operating lease of the premises (residential and business premises etc.).
- The aggregate lease rentals payable are charged to the Profit & Loss Account as Rent in Schedule 17.
- The cancellable lease agreements are usually renewable by mutual consent at mutually agreeable terms.
- The aggregate lease rentals receivable for the year is credited to the profit & loss as Rental Income grouped with Miscellaneous Receipt in Schedule 15.

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

Name of Associates	Proportion of Ownership
Bhojeshwar Realtors Private Limited	50.00%
Hara Parvati Realtors Pvt. Ltd.	25.50%
Real Griha Nirman Private Ltd.	50.00%
Subhadra Realtors Private Limited	50.00%
Sankhya Realtors Private Limited	45.00%
SPPL Hotels Private Limited	25.50%
Taurus Agile Technologies Corporation Private Limited	33.33%

The investment in the associates have been acquired and held exclusively with a view to its subsequent disposal in the near future. Therefore, Investments in such associates have been accounted for in accordance with Accounting Standard (AS) 13, Accounting for Investments.

(12) 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.

(13) 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.

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

(Figures in Lacs)

Particulars of Derivatives	Derivative Contracts	31.03.2011		31.03.2010		Purpose
		Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees	
Sell	USD/INR	95	4285	0	0	Hedge of Export and other Receivable
Buy	USD/INR	877	39554	20	914	Hedge of Import and other Payables

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

(Figures in Lacs)

Particulars	Currency	31.03.2011		31.03.2010	
		Foreign Currency	Equivalent Indian Rupees	Amount of Foreign Currency	Equivalent Indian Rupees
Export and other Receivables	USD	1133	51087	95	4259
Import and other Payables	USD	1850	83397	133	5969

(15) Fixed Deposits includes Rs. 62662 Lacs (Previous year Rs.7012 Lacs) given as earnest money etc. and pledged with the banks against guarantees issued by them on our behalf to Government departments as security deposit.

(16) There is no amount due to be transferred to 'Investor Education & Protection Fund' maintained by the Government of India as at the year end.

(17) Sundry creditors include Rs. Nil (Previous Year Rs.Nil) due to Micro Enterprises and Small enterprises, based on the records and the information received from suppliers.

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

(19) The Company has invested in 51% Class B Equity Shares (having 26% voting & dividend rights) of M/s Savitrimata Realtors Pvt. Ltd., thereby making it a subsidiary of the Company for a total consideration of Rs. 106 Lacs and this has resulted into goodwill amounting to Rs. 109 Lacs on acquisition.

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

(21) The consolidated financial results for the current year are not comparable with those of the previous year as the statement of the current year consist of the figures of all the aforesaid subsidiaries whereas the results of previous year consisted of figures of the aforesaid subsidiaries excluding results of Savitrimata Realtors Pvt. Ltd.

(22) The figures of previous year have been regrouped / recast wherever considered necessary and those are not comparable with the current year's figures to the extent of figures of newly

As per our report of even date attached hereto.

For MEHROTRA & MEHROTRA
Firm Registration No. 000226C
Chartered Accountants

For and on behalf of the Board

Place : Kanpur
Dated: 30th May, 2011

(ANURAG TANDON)
Partner
Membership No. 078862

(DEEPAK KOTHARI)
Chairman & Managing Director

(MITESH KOTHARI)
Executive Director

(RAJ KUMAR GUPTA)
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

As per the Listing Agreement

Particulars

2010-2011

(Rs. in Lacs)
2009-2010

(A) CASH FLOW FROM OPERATING ACTIVITIES :

Net Profit before Tax & Extraordinary items

7899

8774

adjustments for

- Depreciation	119		155	
- Preliminary & Preoperative Expenses Written Off	0		1	
- Unrealised Forex Gains	-33		-79	
- Interest Expenses	273		138	
- Profit (-) / Loss on Sale of Assets	-58		15	
- Exchange Translation Reserve on Consolidation	-19		-40	
- Profit (-)/Loss on Sale of Investments	-2361		-3447	
- Interest Income on Loans & Advances	-1220		-1484	
- Dividend Income	-173		-293	
		<u>-3472</u>		<u>-5034</u>

Operating Profit before working capital changes

4427

3740

adjustment for

- Trade & Other Receivables	-20423		-18326	
- Inventories	-10929		-136	
- Trade Payables	68320		-2812	
		<u>36968</u>		<u>-21274</u>

Cash Generated from Operations

41395

-17534

Direct Taxes Paid

-1581

-1981

Net Cash flow from Operating Activities

39814

-19515

(B) CASH FLOW FROM INVESTING ACTIVITIES :

- Purchase of Fixed Assets	-1477		-278	
- Sale of Fixed Assets	88		31	
- Purchase of Investments	-8406		-6458	
- Sale of Investments	13708		15405	
- Loan to Demerged Company	0		221	
- Loans & Advances	1282		0	
- Interest Received on Loans & Advances	1220		1491	
- Dividend Received	173		293	
		<u>6588</u>		<u>10705</u>

Net Cash flow from Investing Activities

6588

10705

(C) CASH FLOW FROM FINANCING ACTIVITIES :

- Minority Interest	-3		0	
- Interest Paid	-273		-138	
- Dividend Paid	-1331		-663	
- Tax on Dividend Paid	-220		-113	
- Bills Discounted from Banks	-545		835	
- Unsecured Loans	7252		0	
- Secured Loans	7064		-326	
		<u>11944</u>		<u>-405</u>

Net Cash used in Financing Activities

11944

-405

NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)

58346

-9215

Cash & Cash Equivalents - Opening Balance

11118

20333

Cash & Cash Equivalents - Closing Balance

69464

11118

Note:

- The Closing Cash & Cash Equivalents include TDRs at principal value of Rs.62662 Lacs (Previous year Rs.7012 Lacs) pledged or given as margin money to banks.
- The figures of previous year have been regrouped / recast wherever considered necessary to make them comparable with those of the current year.

For MEHROTRA & MEHROTRA
Firm Registration No. 000226C
Chartered Accountants

For and on behalf of the Board

(ANURAG TANDON)

(DEEPAK KOTHARI)

(MITESH KOTHARI)

(RAJ KUMAR GUPTA)

Partner

Chairman & Managing Director

Executive Director

Company Secretary

Place : Kanpur

Dated: 30th May, 2011

Membership No. 078862

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

1	2	3	4	5	6	7	8
Names of the Subsidiary Companies	Financial Year ending of the Subsidiary Companies	No. of shares held by Kothari Products Ltd. as on 31.03.2011	Extent of holding	The net aggregate amount of the Subsidiary Companies' Profit/ (Loss) so far as it concerns the members of the Holding Company and not dealt with in the accounts of the Holding Company (except to the extent dealt with in col. 7 & 8)	For the previous financial year since it became a subsidiary (Rs. in Lacs)	For the financial year ended on 31.03.2011 (Rs. in Lacs)	The net aggregate amount of the Subsidiary Companies' Profit/ (Loss) so far as it concerns the members of the Holding Company and dealt with in the accounts of the Holding Company
Sukhdham Constructions & Developers Ltd.	31.03.2011	100000 Equity Shares of Rs. 10/- each	100%	-16	178	Nil	Nil
Arti Web Developers Private Ltd.	31.03.2011	10000 Equity Shares of Rs. 10/- each	100%	-3	64	Nil	Nil
MK Web-Tech Pvt. Limited	31.03.2011	250000 Equity Shares of Rs. 10/- each	100%	124	442	Nil	Nil
KPL Exports Pvt. Ltd.	31.03.2011	50000 Equity Shares of Rs. 10/- each	100%	64	750	Nil	Nil
Kothari Products Singapore Pvt. Limited	31.03.2011	1000000 Equity Shares of SGD 1 each	99.9996%	383	65	Nil	Nil
IMK Hotels Pvt. Limited	31.03.2011	250000 Equity Shares of Rs. 10/- each	100%	0	0	0	0
*Savitrimata Realtors Pvt. Ltd.	31.03.2011	25500 Class B Equity Shares of Rs.10/- each	51%	0	NA	Nil	NA

Note: Savitrimata Realtors Pvt. Ltd. was acquired during the year.

For MEHROTRA & MEHROTRA
Firm Registration No. 000226C
Chartered Accountants

Place : Kanpur
Dated: 30th May, 2011

(ANURAG TANDON)
Partner
Membership No. 078862

(DEEPAK KOTHARI)
Chairman & Managing Director

For and on behalf of the Board

(MITESH KOTHARI)
Executive Director

(RAJ KUMAR GUPTA)
Company Secretary

FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31.03.2011

(Rupees in Lacs)

Sl. No. of Subsidiary	Name of Subsidiary	Financial Year Ending on	Share Capital	Reserves	Total Assets	Total Liabilities	Details of Investments				Turnover (including other income)	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
							Non Quoted & Trade	Investment		Total					
								(a) Shares	(b) Others						
1	Sukhdham Constructions & Developers Limited	31.03.2011	10	162	2755	2755	0	0	0	0	-16	0	-16	0	0
2	Arti Web-Developers Private Limited	31.03.2011	5	57	1087	1087	0	0	0	0	-3	0	-3	0	0
3	MK Web-Tech Pvt. Limited	31.03.2011	25	566	1635	1635	0	0	0	246	178	54	124	0	0
4	KPL Exports Pvt. Limited	31.03.2011	5	813	824	824	0	0	0	1587	92	28	64	0	0
5	Kothari Products Singapore Pte. Limited	31.03.2011	1689	448	3319	3319	0	0	0	23658	451	68	383	0	0
6	IMK Hotels Pvt. Limited	31.03.2011	25	276	853	853	666	185	851	0	0	0	0	0	0
7	Savitrinata Realtors Pvt. Limited	31.03.2011	5	0	6319	6319	0	0	0	0	0	0	0	0	0

Note : The figures of Total Assets of Savitrinata Realtors Pvt. Ltd. include the figures of debit balance of Profit & Loss account amounting to Rs.10 Lacs.



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

PROXY FORM
27th ANNUAL GENERAL MEETING ON 23rd SEPTEMBER, 2011

I/We of
being a Member/Members of above named Company, hereby appoint.....
..... of or failing him
..... of as my/our Proxy
to attend and vote for me/us and on my/our behalf at the Twenty Seventh Annual General Meeting of the Company, to
be held at "Royal Cliff", 113/72, Swaroop Nagar, Opposite Motijheel Gate No. 1, Kanpur on Friday, the 23rd day of
September, 2011 at 11.30 A.M. and at any adjournment thereof.

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

Affix
Re. 1/-
Revenue
Stamp

NOTES :

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

----- TEAR HERE -----



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

ATTENDANCE SLIP

I, hereby record my presence at the Twenty Seventh Annual General Meeting being held on Friday, the 23rd day of September, 2011 at 11.30 A.M. at "Royal Cliff", 113/72, Swaroop Nagar, Opposite Motijheel Gate No. 1, Kanpur.

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

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

Please give full name of the Joint Holders.

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

NOTES :

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



KOTHARI
PRODUCTS LIMITED

Regd. Off.: "Pan Parag House", 24/19, The Mall, Kanpur-208 001 (India).
Visit us on Internet at: <http://www.kothariproducs.in>
Email: info@kothariproducs.in