

30<sup>th</sup>  
*Annual Report*  
2015-2016



**RADICO KHAITAN FINANCE LIMITED**

**RADICO KHAITAN FINANCE LIMITED**

CIN NO. U74899DL1984PLC019092

**BOARD OF DIRECTORS**

Shri Kamesh Kumar Khaitan - Managing Director  
Smt. Karuna Khaitan - Director  
Mr. Krishan Kumar Sharma - Director

**AUDITORS**

Patni & co.  
Chartered Accountants  
28/36, old Rajinder Nagar  
New Delhi- 110060.

**BANKERS**

The Federal Bank Ltd  
Nehru Place, New Delhi

HDFC Bank Ltd  
Defence Colony, New- Delhi

**INVESTOR'S GRIEVANCES**

Mr. Dev Kumar Mandal  
F- 23/3, Okhla Industrial Area,  
Phase - II, New - Delhi - 110020

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**RADICO KHAITAN FINANCE LIMITED**

CIN NO. U74899DL1984PLC019092

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 30th Annual General Meeting of the Members of RADICO KHAITAN FINANCE LIMITED will be held on Friday, 30th Day of September, 2016 at 10.00 A.M. at PT. Gyani Ram Farm House C/o Mr. Bijender Sharma, Advocate, Near Syndicate Bank, Main Road Asola, Fatehpur Beri, New Delhi- 110074 to transact the following businesses:

**A. ORDINARY BUSINESS****1. To receive, consider and adopt:**

- a) The Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2016 and the Report of the Board of Directors and the Auditors thereon; and
  - b) The Audited Consolidated Financial Statement of the Company for the financial year ended 31st March 2016.
2. To appoint a Director in place of Mr. Krishan Kumar Sharma who retires by rotation and, being eligible, offers himself for reappointment.
  3. To appointment of Statutory Auditor:

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"Resolved that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), **M/s. Patni PK & Co, Chartered Accountants, New Delhi** (Firm Registration No. 030021N), be and are hereby appointed as the Statutory Auditors of the Company in place of **M/s. Patni & co., Chartered Accountants, New Delhi** (Regn No. 320304E), Statutory Auditors of the Company retiring at the conclusion of this Annual General Meeting) for a period of Five years i.e. from the conclusion of this 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company, subject to annual ratification by the shareholders at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee."

**B. SPECIAL BUSINESS****4. Change of Registered office of the Company**

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

"RESOLVED that pursuant to the Provisions of Section 12(5) and all other applicable provisions of the Companies Act, 2013, and the Companies ( Incorporation ) Rules, 2014 ( Including any statutory Modifications or re-enactment thereof, for the Time Being in Force), The registered Office of the Company be and is hereby Changed from its present location at F 23/3, Okhla Industrial Area Phase II, New Delhi- 110020 to 4A, 4th Floor, Dairy farm, Masoodpur, New Delhi – 110070. w.e.f. 3rd Oct 2016.

RESOLVED FURTHER That Change in the Place of registered office of the Company be made in the Name Plates or board affixed at the registered office as also in the letter heads, official publications, current documents etc. pursuant to the provisions Contained in section 12 of the Companies Act, 2013.

RESOLVED FURTHER That any Directors of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to Give Effect to This resolution

BY ORDER OF THE BOARD

**For Radico Khaitan Finance Ltd**

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

Date 22/08/2016  
Place: New- Delhi

**NOTES:**

1. An Explanatory statement pursuant to section 102 of the Companies Act, 2013 is attached herewith
2. Member entitled to attend and vote at the ANNUAL GENERAL 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. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of member not exceeding fifty(50) and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member The instrument appointing Proxy as per the format included in the Annual Report should be deposited at the Registered Office of the Company, duly completed and sign not less than FORTY-EIGHT HOURS before the commencement of the meeting.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th day of September, 2016 to 30th day of September, 2016 (both days inclusive).
6. Documents referred to in the accompanying Notice and the statement and other statutory registers are available for inspection by members at the Registered Office of the Company during office hours on all working days except Saturdays, Sundays and Holidays between 11:00 a.m. and 1:00 p.m. up to the date of Annual General Meeting.
7. Members / proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting. As a measure of economy, copies of the Annual Report will not be distributed at the meeting. Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to notify any change in their address or bank mandates immediately to the RTA.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their Depository Participants. Members holding shares in physical form are required to submit their PAN details to the company. / Proxies are requested to bring their attendance slip along with their copy of Annual Report to the meeting.

10. Annual Report 2015-2016 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2016 are being sent by the permitted mode.
11. The Notice of the 30th AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
12. Members are requested to send their queries, if any, relating to the accounts of the Company, well in advance, so that the necessary information can be made available at the meeting.
13. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

#### **VOTING THROUGH ELECTRONIC MEANS (Instructions for e-voting)**

14. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
  - I The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - II The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - III The remote e-voting period commences on 27th September, 2016 (9:00 am) and ends on 29th September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

- IV A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)] :

- (i) Open email and open PDF file viz; "RADICO e-voting.pdf" with your Client ID or Folio No. and password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
  - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
  - (iii) Click on Shareholder - Login
  - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
  - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - (vii) Select "EVEN" of "RADICO KHAITAN FINANCE LIMITED".
  - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
  - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
  - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
  - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [ajajcs06@gmail.com](mailto:ajajcs06@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided in the Annexure or at the bottom of the Attendance Slip for this AGM (enclosed herewith)
  - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. CS Ajai Kumar, Prop. of Ajai Kumar & Associates - Practicing Company Secretaries (Membership No. 21637 ) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

For Radico Khaitan Finance Ltd

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

Date 22/08/2016  
Place: New- Delhi



## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

## ITEM NO. 4

"Presently The registered Office of the Company is situated at F 23/3, Okhla Industrial Area Phase II New Delhi- 110020 For the Administrative Convenience, ease of doing business and better control over the Operations it is proposed to shift the registered office of the Company from Present Address to 4A, 4th Floor, Dairy farm, Masoodpur, New Delhi – 110070. Since the New Place is within the jurisdiction of the Registrar of Companies, NCT of Delhi and haryana , hence its is proposed to pass a Special Resolution for this purpose.

Hence , Your Directors recommend the above resolution for approval of the shareholders as Special Resolution. None of the Director's or Key managerial personnel of the Company or their relatives are concerned or Interested in the proposed Resolution.

**RADICO KHAITAN FINANCE LIMITED**  
CIN NO. U74899DL1984PLC019092

**DIRECTORS' REPORT**

To,  
To The Members Of,  
**RADICO KHAITAN FINANCE LIMITED**

The Board of Directors are pleased to present herewith the 30th Annual Report of your Company together with the Audited Financial Statements for the financial year ended 31st March, 2016. The Management Discussion and Analysis has also been incorporated into this report.

**FINANCIAL STATEMENT:**

	2015-2016	2014-2015
		In Lacs
Gross Total Income	493.80	424.93
Expenditure	434.54	381.62
Finance Cost	8.59	18.88
Gross Profit ( Loss )	50.67	24.43
Depreciation	37.55	23.17
Profit / (Loss) Before Tax	13.12	1.26
Provision for Current Taxation	2.39	6.03
Provision for Taxation Earlier Year	—	(0.14 )
Net Profit (Loss) after Tax	10.73	( 4.63 )
Proposed Dividend	—	—
Earning Per Share ( Rs 10/- Per Share )	00.12	—

**CHANGE IN NATURE OF BUSINESS:**

There has been no change in nature of business of the company during the F.Y. 2015-2016.

**MATERIAL CHANGES AND COMMITMENTS:**

There has been no material changes and commitments, affecting the Financial Position of the Company, which have occurred between the End of Financial Year of the Company to which the Financial Statements relate and the date of the report.

**CHANGES IN SHARE CAPITAL:**

The paid up Equity Share Capital as on 31st March, 2016 was Rs. 900.00 Lakhs. During the year under review, the Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

**FINANCE:**

Cash and cash equivalent as at 31st March, 2016 was Rs. 7.69 lakhs. The Company continues to focus on judicious management of its Working Capital Receivables, Inventories and other Working Capital parameters were kept under strict check through continuous monitoring.

**FIXED DEPOSIT**

The company is non deposit taking NBFC registered with RBI, thus the said clause is not applicable and the company does not accept any deposit. The Board of Directors has duly passed a resolution in their meeting giving effect to the aforesaid statement.

**DIVIDEND:**

Your Board of Directors has decided that the funds of the company are required for future expansion of the company and so the profits of the company for the year ended on 31st March 2016 shall be deployed for the said purpose. The Board has decided not to recommend any dividend for the year ended 31st March 2016.

**TRANSFER TO RESERVE**

Your company has transferred 2,14,701 To statutory reserve under section 45 IC of RBI Act 1934 for the year ended 31.03.2016.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**OPERATIONS & FUTURE OUTLOOK**

Due to changes in regime the industry outlook for listed NBFCs seems very challenging, the upcoming Insider trading regulation is of immense transparent & disclosure based. The effect of change in companies' law has in a way made a complete change in law & working of the companies in the whole economy. The companies are now working for the stakeholder benefits, as they now believe to strive at a certain place, we need to make it better place to survive. The regulatory framework has also undergone change. The revised RBI regulations for NBFCs have been formed with the purpose of strengthening the financial system and to bring the norms in line with those of banks. According to RBI one of the main reasons for tighter regulation is to reduce the systematic risk they pose to the financial system since they borrow heavily from banks. Prima facie it may appear that these reforms will affect the productivity of the NBFCs; however, with time they are more likely to improve NBFCs

capacity to endure asset quality shocks and also deal with systemic risks. Moreover, increase in disclosure requirements and corporate governance norms will have a three-fold effect. It will enhance transparency and increase the responsibility of the management and further supplement investor awareness. In all, the current year has caused distress to the industry but the change in the business environment may cause NBFCs to de-stress and record better growth numbers

#### **INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has policy for Internal Financial Control System, commensurate with the size, scale and complexity of its operations. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The scope and authority of the Internal Audit (IA) function is defined in the internal financial control policy. The Internal Auditor monitors and evaluates the efficiency and adequacy of Internal Financial control system in the Company, its compliance with operating systems, accounting procedures and policies. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board, the internal audit report on quarterly basis and some are reviewed by the committee. The observation and comments of the Audit Committee are placed before the board.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

The Company had not taken any initiatives on the activities of Corporate Social Responsibilities as the provisions relating to the same are not applicable to the Company.

#### **EXTRACT OF ANNUAL RETURN**

Companies Act, 2013 makes mandatory for every company to prepare an extract in the format prescribed MGT 9. The details forming part of the extract of Annual Return as on 31st March 2016 is annexed herewith as Annexure IV.

#### **DIRECTORS & KEY MANAGERIAL PERSON:**

The total strength of the board is Three at present Shri. Kamesh Kumar Khaitan Managing Director, Smt. Karuna Khaitan ( Woman Director), Krishan Kumar Sharma - Director.

#### **APPOINTMENT:**

Mrs. Krishan Kumar Sharma, Director, retires by rotation at this Annual General Meeting, being eligible for reappointment, offers him self for re-appointment.

#### **MEETINGS OF THE BOARD:**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year seven Board Meetings and four Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**MANAGERIAL REMUNERATION**

The statement containing the disclosure as required in accordance with the provisions of Section 197(12) of the Companies Act 2013 read with rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in the notes to the Financial Statements. Further, none of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 so Statement pursuant to Section 197(12) of the Companies Act 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not required to be included.

**DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:**

Your Company has Two Subsidiary Company , M/s. KK Trades & commercial Pvt. Ltd and AN Trademart Pvt. Ltd. Details of Subsidiary / Associate Companies during the year under review is annexed as Annexure (i.e. in Form AOC - I) and forms part of the Board Report.

**AUDITORS & AUDITORS REPORT:**

M/s. Patni PK & Co, Chartered Accountants, New Delhi (Firm Registration No. 030021N), be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. Patni & co., Chartered Accountants, New Delhi (Reg. No. 320304E), Statutory Auditors of the Company retiring at the conclusion of this Annual General Meeting) for a period of Five years i.e. from the conclusion of this 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company,

**COMMITTEES:**

With a view to have a more focused attention on business and for better governance and accountability, and in accordance with the Companies Act 2013, your Board has re-constituted the following mandatory committees viz. Audit Committee & Nomination and Remuneration Committee.

**i) AUDIT COMMITTEE:**

The Audit Committee of the Board of Directors oversees the Financial Statements and Financial Reporting before submission to the Board. The Audit Committee is responsible for the recommendation of the appointment, remuneration, performance and oversight of the work of the Internal and Statutory Auditors. It reviews the Reports of the Internal Auditors and Statutory Auditors. The Senior Management Personnel are invited to the meetings of the Audit Committee, along with the Head of Internal Audit. At present, there are three Members of the Audit Committee.

The composition of the Audit Committee is given below:

<b>Name of Member</b>	<b>Category</b>
Shri. Kamesh Kumar Khaitan (Chairman of the committee)	Managing Director
Mrs. Karuna Devi Khaitan	Director
Mr. Krishan Kumar Sharma	Director

**VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

Your Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The company has adopted a Whistle Blower policy to establish a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or ethics policy

**NOMINATION AND REMUNERATION COMMITTEE:**

Pursuant to section 178 of Companies Act 2013 and revised clause 49 of Listing Agreement, the company has

re-constituted its existing Remuneration committee as Nomination & Remuneration Committee under the new provisions and revised the terms of reference accordingly. The functions of this Committee include identification of persons who are qualified to become Directors and who may be appointed as Senior Management, formulation of criteria for determining qualifications, positive attributes, independence, recommendations of their appointments to the Board, evaluation of every Director's performance, formulation of Remuneration Policy to include recommendation of remuneration for Directors, Key Managerial Personnel and Senior Management.

The composition of the Nomination And Remuneration Committee is given below:

Name of Member	Category
Shri. Kamesh Kumar Khaitan (Chairman of the committee)	Managing Director
Mrs. Karuna Devi Khaitan	Director
Mr. Krishan Kumar Sharma	Director

**RISK MANAGEMENT POLICY:**

Pursuant to section 134(n) of Companies Act 2013 and revised clause 49 of Listing Agreement, your company has a robust Risk management framework to identify, evaluate business risk and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the competitive advantage. The framework has different risk models which help in identifying risk trends, exposure and potential impact analysis at a company level.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE:**

There are no significant material orders passed by the Regulators / Courts/Tribunals which would impact the going concern status of the Company and its future operations.

**DISCLOSURES ON POLICY AGAINST SEXUAL AND WORKPLACE HARASSMENT:**

The Company believes that it is the responsibility of the organization to provide an environment to employee which is free of discrimination, intimidation and abuse and also to protect the integrity and dignity of its employees and also to avoid conflicts and disruptions in the work environment. Further there stood no cases filed during the year under review.

**DIRECTORS RESPONSIBILITY STATEMENT**

Your Directors to the best of their knowledge and belief and according to the information and explanation obtained by them, make the following statement in terms of clause (c) of sub-section (3) of section 134 of Companies Act 2013 that RADICO KHAITAN FINANCE LIMITED Annual Report 2015-16

- a) In the preparation of the annual accounts for the Financial year ended on 31st March 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) 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 as at 31st March 2016 and of the profit and loss of the company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**For Radico Khaitan Finance Ltd**

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

Date 22/08/2016  
Place: New- Delhi

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF  
SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES**

## Part "A": Subsidiaries

(Information in respect of each subsidiaries.)

(Company have two subsidiaries & one associate companies.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	A.K. Trademart Pvt. Ltd
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	Rs.1,00,000.00
5.	Reserves & surplus	Rs.1,64,696.00
6.	Total assets	Rs.11,86,696.00
7.	Total Liabilities	Rs.9,22,000.00
8.	Investments	NIL
9.	Turnover	Rs.9,03,161.00
10.	Profit before taxation	Rs.2,45,783.00
11.	Provision for taxation	Rs.81087.00
12.	Profit after taxation	Rs.1,64,696.00
13.	Proposed Dividend	-
14.	% of shareholding	55%



Sl. No.	Particulars	Details
1.	Name of the subsidiary	K.K Trades & Commericals Pvt. Ltd.
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	Rs.1,00,000.00
5.	Reserves & surplus	Rs.1,36,931.00
6.	Total assets	Rs.2,89,891.00
7.	Total Liabilities	Rs.52960.00
8.	Investments	NIL
9.	Turnover	Rs.9,00,000.00
10.	Profit before taxation	Rs.2,11,844.00
11.	Provision for taxation	Rs.74,813.00
12.	Profit after taxation	Rs.1,36,931.00
13.	Proposed Dividend	NIL
14.	% of shareholding	55%

**Part "B": Associates and Joint Ventures**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013**  
**related to Associate Companies.**

S.No.	Name of associates	John Paterson & Co. (INDIA) Ltd.
1.	Latest audited Balance Sheet Date	31.03.2016
2.	Shares of Associates held by the company on the year end No. of Shares Amount of Investment in Associates Extend of Holding%	48.25% 4,94,278 Rs. 17,19,164.00 48.25%
3.	Description of how there is significant influence	Because of significant voting power that is 48.25%.
4.	Reason why the associate/joint venture is not consolidated	N.A.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs.33,74,842.79
6.	Profit/Loss for the year	Rs.42,801.00
	i. Considered in Consolidation	Rs.20,652.00
	ii. Not Considered in Consolidation	Rs.22,149.00

Place : New Delhi

**For Patni & Co.**  
Chartered Accountants  
Firm Registration No. :320304E

Date:28.05.2016

**Pankaj Kumar Jain**  
(Partner)  
Membership no. 058527  
For and on Behalf of the Board of Directors  
For Radico Khaitan Finance Limited

(Kamesh Kumar Khiatan)  
Director  
DIN: 00755655

(Krishan Kumar Sharma)  
Director  
DIN: 00856406

**FORM No MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31st March, 2016****[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To,

The Members,

**RADICO KHAITAN FINANCE LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Radico Khaitan Finance Limited (hereinafter called Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company's officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Radico Khaitan Finance Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with regional Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. In respect of Listing Agreement, Company does not comply Listing Agreement, This is a non-compliance of Listing Agreement with Stock Exchanges.
2. In respect of Companies Act, 2013, company has not appointed Company Secretary in Financial Year 2015-16.

I further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance

Majority decisions is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines however the compliance reports were not submitted to the Board in time and a delay in filing of Forms to ROC with additional Fee.

Place: New Delhi

Date : 23/05/2016

**CS Rajiv Kumar Mishra**

ACS No. 39045

C P No.: 14636

This report is to be read with my letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

## ANNEXURE

To

The Members  
Radico Khaitan Finance Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of account of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 23/05/2016

Place: New Delhi

**CS Rajiv Kumar Mishra**  
(Practising Company Secretary)  
Membership No. 39044  
Certificate of Practice No. 14630

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**  
**as on financial year ended on 31.03.2016**  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of  
the Company (Management & Administration ) Rules, 2014

**I REGISTRATION & OTHER DETAILS:**

i	CIN	U74899DL1984PLC019092
ii	Registration Date	10.09.1984
iii	Name of the Company	RADICO KHAITAN FINANCE LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
v	"Address of the Registered office" & contact details"	F 23/3, OKHLA INDUSTRIAL AREA, PHASE II, NEW DELHI
vi	Whether listed company	LISTED
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/S MAS SERVICES LIMITED, T 34, SECOND FLOOR, OKHLA INDUSTRIAL AREA PHASE II, NEW DELHI

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

SL No	Name & Description of main products/services	"NIC Code of the "Product /service"	"% to total turnover "of the company"
1	NON BANKING FINANCIAL SERVICES	649	100%
2			
3			
4			

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

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	KK Trades & Commercial Pvt. Ltd 440 FF, Gali No. D 22, Chattarpur Pahari, New Delhi - 110074	U01400DL2015PLC280828	Subsidiary	55%	2(87)
2	AK Trademart Pvt. Ltd F 23/3, OKHLA Industrial Area Phase-II, New Delhi	U51909DL2015PLC282371	Subsidiary	55%	2(87)
3	John Paterson & Co. India Ltd Flat No. 3 F Rear Block Merline Estate, 62 Diamond Harbour Road Kolkata	U24241WB1926PLC005236	Associate	48.25%	2(6)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	750,833	2,000,000	2,750,833	30.56	2750833	-	2,750,833	30.56	-	
"b) Central Govt. or State Govt."										
c) Bodies Corporates	1754806	378455	2,133,261	23.70	1754806	378,455	2,133,261	23.70	-	
d) Bank/FI	0	0	-	-	0	0	0	-		
e) Any other	0	0	-	-	0	0	0	-		
<b>SUB TOTAL (A) (1)</b>	<b>2505639</b>	<b>2378455</b>	<b>4,884,094</b>	<b>54.27</b>	<b>4505639</b>	<b>378455</b>	<b>4884094</b>	<b>54.27</b>	<b>-</b>	
(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0			
b) Other Individuals	0	0	0	0	0	0	0			
c) Bodies Corp.	0	0	0	0	0	0	0			
d) Banks/FI	0	0	0	0	0	0	0			
e) Any other...	0	0	0	0	0	0	0			
<b>SUB TOTAL (A) (2)</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	
<b>*Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>2505639</b>	<b>2378455</b>	<b>4884094</b>	<b>54.27</b>	<b>4505639</b>	<b>378455</b>	<b>4884094</b>	<b>54.27</b>	<b>-</b>	



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>B. PUBLIC SHAREHOLDING</b>										
(1) Institutions										
a) Mutual Funds	0	0	0	0	0	0	0		-	
b) Banks/FI	0	0	0	0	0	0	0		-	
c) Central govt	0	0	0	0	0	0	0		-	
d) State Govt.	0	0	0	0	0	0	0		-	
e) Venture Capital Fund	0	0	0	0	0	0	0		-	
f) Insurance Companies	0	0	0	0	0	0	0		-	
g) FIIS	0	0	0	0	0	0	0		-	
*h) Foreign Venture "Capital Funds"	0	0	0	0	0	0	0		-	
i) Others (specify)	0	0	0	0	0	0	0		-	
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	
(2) Non Institutions										
a) Bodies corporates	89310	210700	300010	3.33	86710	210700	297410	3.30	(0.03)	
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	434690	3320606	3755296	41.73	449990	3344606	3794596	42.16	0.44	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	33200	26900	60100	0.67	23100	0	23100	0.26	(0.41)	
c) Others (specify)	500	0	500	0.01	800	0	800	0.01	0.00	
<b>SUB TOTAL (B)(2):</b>	<b>557700</b>	<b>3558206</b>	<b>4115906</b>	<b>45.73</b>	<b>560600</b>	<b>3555306</b>	<b>4115906</b>	<b>45.73</b>		
<b>"Total Public Shareholding (B)= (B)(1)+(B)(2)"</b>	<b>557700</b>	<b>3558206</b>	<b>4115906</b>	<b>45.73</b>	<b>560600</b>	<b>3555306</b>	<b>4115906</b>	<b>45.73</b>		
*C. Shares held by Custodian for "GDRs & ADRs"										
<b>Grand Total (A+B+C)</b>	<b>3,063,339</b>	<b>5,936,661</b>	<b>9,000,000</b>	<b>100</b>	<b>5,066,239</b>	<b>3,933,761</b>	<b>9,000,000</b>	<b>100</b>		

## (ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares* of the company to total shares	% of shares pledged encumbered	
1	KAMESH KUMAR KHAITAN	550000	6.11	0	550000	6.11	0	-
2	KARUNA DEVI KHAITAN	900000	10.00	0	900000	10.00	0	-
3	ANIRUDH KHAITAN	850833	9.45	0	850833	9.45	0	-
4	KAMESH KUMAR KHAITAN HUF	450000	5.00	0	450000	5.00	0	-
5	PARVATI HOLDINGS PVT. LTD	52500	0.58	0	52500	0.58	0	-
6	JOHN PATERSON & CO. INDIA LTD	325955	3.62	0	325955	3.62	0	-
7	ANSHUMAN FINANCE LTD	580000	6.44	0	580000	6.44	0	-
8	ANIRUDH COMMERCIAL PVT LTD	250000	2.78	0	250000	2.78	0	-
9	PENGUIN LEATHER PRODUCTS PVT LTD	38010	0.42	0	38010	0.42	0	-
10	ANIRUDH HOLDINGS PVT LTD	215000	2.39	0	215000	2.39	0	-
11	JANAPRIYA KALYAN KOSH PVT LTD	671796	7.46	0	671796	7.46	0	-
	<b>Total</b>	<b>4884094</b>	<b>54.27</b>	<b>0</b>	<b>4884094</b>	<b>54.27</b>	<b>0</b>	

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

Sl. No.	Name of Share Holder	Share holding at the beginning of the Year			Increase /decrease in Share Holdings	Reason	No of shares	Cumulative Share holding during the year	% of total shares of the company
		No. of Shares	% of total shares of the company	Date					
1.	KAMESH KUMAR KHAITAN	550000	6.11	01.04.2015					
				31.03.2016		No Movement During the year	550000	6.11	
2	KARUNA DEVI KHAITAN	900000	10.00	01.04.2015					
				31.03.2016		No Movement During the year	900000	10.00	
3	ANIRUDH KHAITAN	850833	9.45	01.04.2015			850833	9.45	
				31.03.2016		No Movement During the year			
4	KAMESH KUMAR KHAITAN HUF	450000	5.00	01.04.2015					
				31.03.2016		No Movement During the year	450000	5.00	
5	PARVATI HOLDINGS PVT. LTD	52500	0.58	01.04.2015					
				31.03.2016		No Movement During the year	52500	0.58	
6	JOHN PATERSON & CO. INDIA LTD	325955	3.62	01.04.2015					
				31.03.2016		No Movement During the year	325955	3.62	
7	ANSHUMAN FINANCE LTD	580000	6.44	01.04.2015					
				31.03.2016		No Movement During the year	580000	6.44	
8	ANIRUDH COMMERCIAL PVT LTD	250000	2.78	01.04.2015					
				31.03.2016		No Movement During the year	250000	2.78	
9	PENGUIN LEATHER PRODUCTS PVT LTD	38010	0.42	01.04.2015					
				31.03.2016		No Movement During the year	38010	0.42	
10	ANIRUDH HOLDINGS PVT LTD	215000	2.39	01.04.2015					
				31.03.2016		No Movement During the year	215000	2.39	
11	JANAPRIYA KALYAN KOSH PVT LTD	671796	7.46	01.04.2015					
				31.03.2016		No Movement During the year	671796	7.46	
	<b>Total</b>	<b>4884094</b>	<b>54.27</b>				<b>0</b>	<b>54.27</b>	

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

Sl. No.	For Each of the Top 10 Shareholders	Share holding at the beginning of the Year			Increase /decrease in Share Holdings	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	Date			No of shares	% of total shares of the company
1	CRB TRUSTEE LIMITED	74400	0.83	01.04.2015				
				31.03.2016		No Movement During the year	74400	0.83
2	MEGA RESOURCES LIMITED	57000	0.63	01.04.2015				
				31.03.2016		No Movement During the year	57000	0.63
3	SMITA FISCAL PRIVATE LIMITED	27400	0.30	01.04.2015				
				31.03.2016		No Movement During the year	27400	0.30
4	VRINDA JAIN	23100	0.26	01.04.2015				
				31.03.2016		No Movement During the year	23100	0.26
5	BIKRAM VAISH	16200	0.18	01.04.2015				
				31.03.2016		No Movement During the year	16200	0.18
6	PERFECTPAC LIMITED	13000	0.14	01.04.2015				
				31.03.2016		No Movement During the year	13000	0.14
7	BLUE CHIP INDIA LIMITED	11300	0.13	01.04.2015				
				31.03.2016		No Movement During the year	11300	0.13
8	PRABHA RAJGARHIA	10700	0.12	01.04.2015				
				31.03.2016		No Movement During the year	10700	0.12
9	HGI FINANCE & LEASING P LTD.	10100	0.11	01.04.2015				
				31.03.2016		No Movement During the year	10100	0.11
10	SANJAY PANDEY	10100	0.11	01.04.2015				
				31.03.2016		No Movement During the year	10100	0.11

## (v) Shareholding of Directors &amp; KMP

Sl. No.	For Each of the Directors & KMP	Share holding at the beginning of the Year						Cumulative Share holding during the year
		No. of Shares	% of total shares of the company	Date	Increase /decrease in Share Holdings	Reason	No of shares	% of total shares of company
1	KAMESH KUMAR KHAITAN	550000	6.11	01.04.2015				
				31.03.2016		No Movement During the year	550000	6.11
2	KARUNA DEVI KHAITAN	900000	10.00	01.04.2015				
				31.03.2016		No Movement During the year	900000	10.00

**V INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	1005731.77	0	0	0
ii) Interest due but not paid				
iii) Interest accrued but not due		0	0	0
<b>Total (i+ii+iii)</b>	<b>1005731.77</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	8092887	0	0	0
Reduction	997501.77	0	0	0
Net Change	7095385.23	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,101,117.00	0	0	0
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>8,101,117.00</b>	<b>0</b>	<b>0</b>	<b>0</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount	
		Kamesh Kumar Khaitan ( MD )	Krishan Kumar Sharma		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	3000000	661200	3,661,200	
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others (specify)	0	0	0	0
5	Others, please specify	0	0	0	0
	<b>Total (A)</b>	<b>3,000,000</b>	<b>661,200</b>	<b>3,661,200</b>	
<b>Ceiling as per the Act</b>					

**B. Remuneration to other directors:**

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		CEO	Company Secretary	CFO	Total	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	as % of profit	0	0	0	0	0
	others, specify	0	0	0	0	0
5	Others, please specify	0	0	0	0	0
	Total	0	0	0	0	0



## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT /Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## Independent Auditor's Opinion

To the Members of M/S RADICO KHAITAN FINANCE LIMITED.

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M/S RADICO KHAITAN FINANCE LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2016, the Standalone Statement of Profit and Loss and the Standalone Cash Flow Statement for the year then ended, and a standalone summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing & detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting & auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit

also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Director, as well as evaluating the overall presentation of the standalone financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

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

- (a) in the case of the Standalone Balance Sheet, of the state of affairs of the Company as at 31st March, 2016,
- (b) in the case of the Standalone Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (c) in case of Standalone Cash Flow Statement, of the cash flows of the company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Standalone Balance Sheet, Standalone Statement of Profit and Loss and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Standalone Balance Sheet, the Standalone Statement of Profit and Loss and the Standalone Cash Flow Statement comply with Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B; and.
- (g) With respect to the other matters to be included in the Auditors' report in accordance with the Rule 11 of the Companies ( Audit & Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The company does not have pending litigation which would impact its financial position.
  - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: New Delhi

**For Patni & Co.**  
**Chartered Accountants**  
Firm Registration No: 320304E

Date: The 28th day of May 2016

**Pankaj Kumar Jain**  
**Partner**  
Membership No: 058527

**ANNEXURE A REFERRED TO IN 1 UNDER THE HEADING  
"REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS"**

**M/S RADICO KHAITAN FINANCE LIMITED (The Company)**

- I. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) All the assets of the company were physically verified by the management at reasonable intervals. We have been informed that no material discrepancies have been noticed on such physical verification.  
c) According to the information & explanations given to us and on the basis of our examination of records of the company, the title deeds of the immovable properties are held in the name of company.
- II. According to the information & explanations given to us, physical verification of stocks has been conducted by the management during the year at reasonable intervals and no material discrepancies have been noticed on such physical verification.
- III. The company has not granted any loans to companies, Firms, LLPs or other parties covered in the register maintain under section 189 of the Companies Act, 2013 except A K Trademart Pvt. Ltd. amounting to Rs. 2,70,000.00.
- IV. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of Companies Act, 2013 in respect of Loans, Investments, Guarantees and Security.
- V. According to the information and explanations given to us, the Company has not accepted any deposit from the public.
- VI. Requirement of maintenance of cost records under Section 148 (1) of the Companies Act, 2013 is not applicable in case of the Company.
- VII. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues wherever applicable to it. No amounts payable in respect of the statutory dues as mentioned above were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty, Cess and Excise Duty which have not been deposited on account of any dispute.
- VIII. According to the information and explanations given to us, the company has not defaulted in repayment of loan or borrowing to a financial institution, bank, government or due to debenture holders.

- IX. The company did not raise any money by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- X. According to the information & explanations given to us, no material fraud by the company or on the company by its officers and employees has been noticed or reported during the course of our audit.
- XI. According to the information and explanations given to us and based on our examination of the records of the company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V to the Companies Act.
- XII. In our opinion and according to the information & explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the company, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.
- XIV. According to the information and explanations given to us and based on our examination of the records of the company, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- XVI. The company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: New Delhi

For Patni & Co.  
Chartered Accountants  
Firm Registration No: 320304E

Date: The 28th day of May 2016

Pankaj Kumar Jain  
Partner  
Membership No: 058527

## ANNEXURE B TO THE AUDITORS' REPORT

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of M/S RADICO KHAITAN FINANCE LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of Standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the company has, in all material aspects, an adequate financial control system over financial reporting and such internal control over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi

For Patni & Co.  
Chartered Accountants  
Firm Registration No: 320304E

Date: The 28th day of May 2016

Pankaj Kumar Jain  
Partner  
Membership No: 058527



## Balance Sheet as at 31st March 2016

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholder's Fund			
Share Capital	1	90,000,000.00	90,000,000.00
Reserves and Surplus	2	9,703,875.10	8,743,636.00
(2) Non-current liabilities			
Long-term borrowings	3	8,665,117.00	1,569,731.00
(3) Current Liabilities			
Short-term borrowings	4	-	9,369,486.00
Trade payables	5	-	1,570,978.00
Other current liabilities	6	664,448.00	2,139,954.00
Short-term Provisions	7	113,269.00	
<b>TOTAL</b>		<b>109,146,709.10</b>	<b>113,393,787.00</b>
<b>II. ASSETS</b>			
(1) Non-current assets			
Fixed assets	8	9,126,682.00	1,686,412.00
Non-current investments	9	3,827,674.00	3,717,674.00
Long term loans and advances	10	44,676,627.00	47,555,700.00
(2) Current assets			
Inventories	11	13,687,965.00	19,939,148.00
Trade receivables	12	32,203,047.25	32,203,047.25
Cash and cash equivalents	13	768,985.93	(578,840.00)
Short term loans and advances	14	4,855,727.92	8,870,646.00
<b>TOTAL</b>		<b>109,146,709.10</b>	<b>113,393,787.00</b>

Notes referred above form an integral part of the Balance Sheet.

As per our separate report of even date attached.

44D/14, Old Rajinder Nagar,  
New Delhi - 110 060.

Dated: The 28th day of May 2016

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

**For PATNI & CO.**  
Chartered Accountants  
Firm Registration No: 320304E

**Pankaj Kumar Jain**  
(Partner)  
M. No: 058527

**Krishan Kumar Sharma**  
Director  
DIN No. : 00856406

## Profit and loss statement for the year ended on 31st March 2016

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
I. Revenue from operations	15	49,155,283.99	42,493,020.64
II. Other Income	16	225,254.00	-
III. Total Revenue ( I + II )		49,380,537.99	42,493,020.64
IV. Expenses :		25,994,235.00	20,773,507.00
Purchases of stock-in-trade		6,251,183.00	8,319,561.00
Changes in inventories	17	517,644.00	1,106,064.00
Employee Benefits Expenses	18	859,458.86	1,887,523.53
Finance cost	19	3,754,598.00	2,316,913.00
Depreciation and amortization expense	8	10,691,119.98	7,963,000.35
Other expenses	20	48,068,238.84	42,366,568.88
Total Expenses		1,312,299.15	126,451.76
V. Profit before tax ( III - IV )		238,792.00	588,951.70
VI. Tax Expense		238,792.00	603,260.00
(1) Current Tax		-	(14,308.30)
(2) Income for earlier years		1,073,507.15	(462,499.94)
VII. Profit after Tax ( V - VI )			
VIII. Earning per equity share		0.12	-
(1) Basic		0.12	-
(2) Diluted			

Notes referred above form an integral part of the Profit and loss statement.

As per our separate report of even date attached.

44D/14, Old Rajinder Nagar,  
New Delhi - 110 060.

Dated: The 28th day of May 2016

**Kamesh Kumar Khaitan**  
Managing Director  
DIN No. : 00755655

**For PATNI & CO.**  
Chartered Accountants  
Firm Registration No: 320304E

**Pankaj Kumar Jain**  
(Partner)  
M. No: 058527

**Krishan Kumar Sharma**  
Director  
DIN No. : 00856406

**CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH 2016**

(Amount in Rupees L)

Particulars	Current Year	Previous Year
<b>Cash Flow from Operating activities</b>		
Net Profit before Tax & extra ordinary items	13.12	13.12
Adjustment for		
Profit/(Loss) on sale of Fixed Assets	(2.25)	
Depreciation	37.55	23.12
<b>Operating Profit Before working capital change</b>	<b>48.42</b>	<b>24.44</b>
Adjustment for change in		
Trade receivables	-	1.12
Short Term Loans & Advances	40.15	(53.62)
Inventories	62.51	83.12
Other Current Liabilities	(14.76)	16.44
Trade payables	(15.71)	15.12
Short Term Borrowings	(93.69)	(786.00)
Cash generated from operating activities	26.92	(698.52)
Income Tax( Paid)/Refund	(2.39)	(5.88)
<b>Net cash Provided by operating activities (A)</b>	<b>24.53</b>	<b>(704.40)</b>
<b>Cash flow from investing activities</b>		
Purchase/Sale of fixed assets	(109.70)	(0.00)
Increase/Decrease of Long Term Advances	28.79	431.44
Purchase/Sale of Non Current Investment	(1.10)	35.44
<b>Net cash Provided by Investing Activities (B)</b>	<b>(82.01)</b>	<b>466.88</b>
<b>Cash Flow from financing activities</b>		
Increase in long term borrowing	70.95	(37.52)
Issue of Share Capital	-	243.12
<b>Net cash Provided by Financing Activities (C)</b>	<b>70.95</b>	<b>206.60</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>13.48</b>	<b>(31.42)</b>
Cash and Cash Equivalents at the beginning of the year	(5.79)	25.60
<b>Cash and Cash Equivalents at the end of year</b>	<b>7.69</b>	<b>(5.79)</b>

We have examined the attached cash flow statement of Radico Khaitan Finance Ltd for the period year ended 31st March, 2016. The statement has been prepared by the company in accordance with the requirements of listing agreement and is based on and in agreement with corresponding profit & loss account and Balance Sheet of the Company covered by our report to the members of the company.

As per our report of even date annexed

**For PATNI & CO.**  
Chartered Accountants  
Firm Registration No: 320304E

**Pankaj Kumar Jain**  
(Partner)  
M. No. 058527  
Dated: The 28th day of May 2016

**Krishan Kumar Sharma**  
Director  
DIN No. : 00856406

**Kamesh Kumar Khaitan**  
Managing Director  
DIN No. : 00755655

**RADICO KHAITAN FINANCE LIMITED.***Notes to Financial statement for the year ended on 31st March 2016***1 Share Capital**

S. No.	Particulars	As at 31st March 2016	As at 31st March 2015
<b>1</b>	<b>Authorised Share Capital</b>		
(a)	1,49,90,000 Equity Shares of Rs. 10 each	149,90,000.00	149,90,000.00
(b)	1,000 13.5% Redeemable Cumulative Preference Share Rs.100 Each	100,000.00	100,000.00
		<b>150,00,000.00</b>	<b>150,00,000.00</b>
<b>2</b>	<b>Issued &amp; Subscribed Share Capital</b>		
(a)	90,00,000 Equity Shares of Rs. 10/- each	90,00,000.00	90,00,000.00
		<b>90,00,000.00</b>	<b>90,00,000.00</b>
a)	<b>Reconciliation of No. of shares</b>		
	Opening Number of Shares	9,00,000	9,00,000
Add:	Issued during the year		
	Closing Number of Shares	<b>9,00,000</b>	<b>9,00,000</b>
b)	<b>Details of shareholders holding more than 5% share</b>		
		(No. of shares)	
1	John Paterson & Co(l) Ltd.	325,955	325,955
2	Anshuman Finance Ltd	580,000	580,000
3	Janapriya Kalyan Kosh Pvt Ltd	671,796	671,796
4	Kamesh Kumar Khaitan	550,000	550,000
5	Karuna 'Devi Khaitan	900,000	900,000
6	Anirudh Khaitan	850,833	850,833
	<b>Total</b>	<b>3,878,584</b>	<b>3,878,584</b>
c)	During the immediately preceding five years the company has not issued shares by way of Bonus Shares or in pursuant of contracts without payment being received in cash.		
d)	During the immediately preceding five years the company has not bought back any shares.		

**Kamesh Kumar Khaitan**  
**Managing Director**  
 DIN No. : 00755655

**Krishan Kumar Sharma**  
**Director**  
 DIN No. : 00856406

**2 Reserves and Surplus**

S. No.	Particulars	As at 31st March 2016	As at 31st March 2015
<b>1</b>	<b>Profit and loss account</b>		
	Opening balance	1,273,047.00	1,643,046.94
	Add : Addition during the year	1,073,507.15	(462,499.94)
	Less : Deduction during the year	-	-
	Transferred for Provision For standard assets	113,269.00	-
	Transferred to Statutory Reserve U/S 451C of RBI Act.	214,701.00	(92,500.00)
	<b>Closing balance</b>	<b>2,018,584.15</b>	<b>1,273,047.00</b>
<b>2</b>	<b>Share Premium</b>		
	Opening balance	7,000,000.00	700,000.00
	Add : Addition during the year	-	6,300,000.00
	Less : Deduction during the year	-	-
	<b>Closing balance</b>	<b>7,000,000.00</b>	<b>7,000,000.00</b>
<b>3</b>	<b>Statutory Reserve U/s 451C of RBI Act</b>		
	Opening balance	470,589.95	563,089.95
	Add : Addition during the year	214,701.00	(92,500.00)
	Less : Deduction during the year	-	-
	<b>Closing balance</b>	<b>685,290.95</b>	<b>470,589.95</b>
	<b>Total</b>	<b>9,703,875.10</b>	<b>8,743,636.95</b>
<b>3</b>	<b>Long term borrowings</b>		
	Secured Long term borrowings		
<b>1</b>	<b>Term Loans</b>		
	From Banks		
a)	HDFC Bank Car Loan	-	813,648.77
b)	Kotak Mahindra car Loan	8,230.00	192,083.00
c)	The Federal Bank Car Loan	8,092,887.00	-
	<b>Other Long term borrowings</b>		
<b>2</b>	Jennifer Prem	564,000.00	564,000.00
	<b>Total</b>	<b>8,665,117.00</b>	<b>1,569,731.77</b>
	Car Loan is secured against car itself. The car loan will be repaid as follows :		
	Financial Year (16-17)		17.05 lacs
	Financial Year (17-18)		18.66 lacs
	Financial Year (18-19)		20.61 lacs
	Financial Year (19-20)		24.77 lacs

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

Krishan Kumar Sharma  
Director  
DIN No. : 00856406

4 Short term borrowings		As at	As at
S. No.	Particulars	31st March 2016	31st March 2015
<b>Unsecured Short term borrowings</b>			
1	Loans and advances from related parties	-	3,932,361.15
2	Other Loans and advances	-	5,437,125.25
	<b>Total</b>	-	<b>9,369,486.40</b>
<b>Trade payables</b>			
1	Aum Capital Market Pvt Ltd	-	1,570,978.23
	<b>Total</b>	-	<b>1,570,978.23</b>
<b>Other Current Liabilities</b>			
	Other Liabilities	664,448.00	2,139,954.00
	<b>Total</b>	<b>664,448.00</b>	<b>2,139,954.00</b>
<b>Short term Provisions</b>			
1	Contingent Provision against standard assets		
	Opening balance	-	-
	Add : Addition during the year	113,269.00	-
	Less : Deduction during the year	-	-
	<b>Closing balance</b>	<b>113,269.00</b>	-
<b>9 Non-current Investments</b>			
1	Investment in shares	3,827,674.00	3,717,674.00
	<b>Total</b>	<b>3,827,674.00</b>	<b>3,717,674.00</b>
Sub Classification of non-current investments			
<b>1 Quoted Investments</b>			
	Book Value	1,924,184.00	1,924,184.00
	Market Value	Not Available	Not Available
<b>2 Aggregate amount of unquoted investments</b>			
	<b>Total</b>	<b>3,827,674.00</b>	<b>3,717,674.00</b>
<b>4 Investment in :</b>			
(a)	Associates	1,719,164.00	1,719,164.00

Kamesh Kumar Khaitan  
 Managing Director  
 DIN No. : 00755655

Krishan Kumar Sharma  
 Director  
 DIN No. : 00856406

**10 Long term loans and advances**

S.No.	Particulars	As at 31st March 2016	As at 31st March 2015
	<b>Unsecured, considered good</b>		
1	Loans and Advances to Related Parties	-	501,902.00
2	Other loan and advances	44,676,627.00	47,053,798.00
	<b>Total</b>	<b>44,676,627.00</b>	<b>47,555,700.00</b>
	<b>11 Inventories</b>		
1	Stock-in-Hand (As Certified By the Management)	13,687,965.00	19,939,148.00
	<b>Total</b>	<b>13,687,965.00</b>	<b>19,939,148.00</b>
	Mode of valuation : Stock is valued at cost.		
	<b>12 Trade receivables</b>		
	Unsecured, considered Doubtful		
1	For period exceeding six months	32,203,047.25	32,203,047.25
	<b>Total</b>	<b>32,203,047.25</b>	<b>32,203,047.25</b>
	<b>13 Cash and cash equivalents</b>		
1	Balances with banks		
(a)	Current Account	465,650.48	(1,329,263.00)
2	Cash on hand ( As Certified By the Management)	303,335.45	750,422.40
	<b>Total</b>	<b>768,985.93</b>	<b>(578,840.60)</b>
	<b>14 Short term loans and advances</b>		
	Unsecured, considered good		
1	Income Tax Deducted At Source	3,613,928.49	3,153,515.00
2	Service Tax	15,177.00	-
3	Interest Receivable	901,167.00	5,664,705.00
4	Credit Card	129,455.43	13,426.44
5	Advances to Dev Kumar Mandal	140,000.00	-
6	Advances to Bibek Kumar Sahoo	56,000.00	39,000.00
	<b>Total</b>	<b>4,855,727.92</b>	<b>8,870,646.53</b>

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

Krishan Kumar Sharma  
Director  
DIN No. : 00856406

**15 Revenue from operations**

S. No.	Particulars	As at 31st March 2016	As at 31st March 2015
1	Sale of products	32,146,861.00	22,581,582.00
2	Sale of Services		
	Consultancy Charges	-	2,870,000.00
3	Other Incomes		
	Long term profit on shares	-	21,000.00
	Interest income	16,666,391.40	12,968,551.60
	Profit On Trading Of Future & Option	242,976.59	4,027,537.14
	Dividend income	59,125.00	24,349.90
	Commission Income	39,930.00	-
	<b>Total</b>	<b>49,155,283.99</b>	<b>42,493,020.64</b>
<b>16</b>	<b>Other Income</b>		
1	Profit on sale of Assets	225,254.00	-
	<b>Total</b>	<b>225,254.00</b>	<b>-</b>
<b>17</b>	<b>Changes in Inventories</b>		
1	Opening Stock		
	Finished goods	19,939,148.00	28,258,709.00
2	Closing Stock		
	Finished goods	13,687,965.00	19,939,148.00
	Changes in inventories	<b>6,251,183.00</b>	<b>8,319,561.00</b>
<b>18</b>	<b>Employee Benefit Expenses</b>		
1	Salaries & Wages	504,000.00	1,068,000.00
2	Staff Welfare Expenses	13,644.00	38,064.00
	<b>Total</b>	<b>517,644.00</b>	<b>1,106,064.00</b>
<b>19</b>	<b>Finance Cost</b>		
1	Interest Expense	859,458.86	1,887,523.53
	<b>Total</b>	<b>859,458.86</b>	<b>1,887,523.53</b>

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

Krishan Kumar Sharma  
Director  
DIN No. : 00856406



**20 Other Expenses**

S. No.	Particulars	As at 31st March 2016	As at 31st March 2015
1	AGM Expenses	246,139.00	125,434.00
2	Annual DP Maintenance Charges	-	30,000.00
3	Annual listing Charges	28,625.00	
4	Bank Charges	30,395.69	6,903.00
5	Business Promotion	2,036,532.17	1,695,946.30
6	Demat Expenses	254.51	117.90
7	Electricity & Water Charges	450,732.00	448,184.00
8	Filing Fees	36,600.00	10,800.00
9	Generator Running Expenses	105,309.66	68,310.74
10	Insurance Expenses	299,951.00	267,743.00
11	Legal & Professional Charge	108,404.00	193,639.00
12	Listing Processing Charges	400,750.00	
13	Misc Expenses	20,407.48	109,247.90
14	Rate & Taxes	384.00	
15	Penalty on TDS	-	85,699.00
16	Postage & Courier	-	6,516.00
17	Printing & Stationery	4,500.00	26,017.50
18	Repair & Maintenance	72,000.00	9,200.00
19	Statutory Audit Fees	45,000.00	25,000.00
20	Sundry Balances W/off	5,112.95	(2,303.80)
21	Tax Audit Fees	15,000.00	15,000.00
22	Telephone Expenses	472,922.25	258,641.60
23	Travelling & Conveyance	2,201,806.03	2,825,583.11
24	Vehicle Running & Maintenance	449,094.24	296,120.89
25	Director's Remuneration	3,661,200.00	1,461,200.00
	<b>Total</b>	<b>10,691,119.98</b>	<b>7,963,000.35</b>

**Kamesh Kumar Khaitan**  
**Managing Director**  
DIN No. : 00755655

**Krishan Kumar Sharma**  
**Director**  
DIN No. : 00856406

## Note No - 8

## FIXED ASSETS

S.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 31st March 2015	Addition/ (Deletion) during the year	As at 31st March 2016	As at 31st March 2015	During the year	Deletion During the Year	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
1	Air Conditioners	29,500.00	(29,500.00)	-	29,025.00	-	1,475.00	29,500.00	-	1,475.00
2	Car (Mercedes)	5,299,702.00	(5,299,702.00)	-	4,176,216.00	86,276.00	1,037,208.00	5,299,702.00	-	1,123,496.00
3	Car (Porsche)	-	12,046,072.00	12,046,072.00	-	3,535,238.00	-	3,535,238.00	8,510,834.00	-
4	Car (swift)	588,104.00	-	588,104.00	313,598.00	86,041.00	-	399,639.00	189,485.00	275,506.00
5	Computers	35,490.00	(35,490.00)	-	27,241.00	-	8,249.00	35,490.00	-	8,249.00
6	Furniture & Fixtures	2,031,022.49	-	2,031,022.49	1,929,069.49	516.00	-	1,928,587.49	102,435.00	102,953.00
7	Generator	40,000.00	(40,000.00)	-	38,000.00	-	2,000.00	40,000.00	-	2,000.00
8	Motor Vehicles	-	56,307.00	56,307.00	-	10,197.00	-	10,197.00	46,110.00	-
9	Office Equipments	2,966,099.00	147,235.00	3,133,334.00	2,819,170.00	36,326.00	-	2,855,496.00	277,838.00	166,929.00
10	Refrigerator	29,590.00	(29,590.00)	-	28,649.00	-	2,941.00	29,590.00	-	2,941.00
11	Scanner	10,900.00	(10,900.00)	-	10,355.00	-	545.00	10,900.00	-	545.00
12	Water Dispenser	9,500.00	(9,500.00)	-	7,172.00	-	2,328.00	9,500.00	-	2,328.00
	Total	11,060,907.49	6,794,932.00	17,855,839.49	9,374,495.49	3,754,998.00	1,054,746.00	14,183,839.49	9,126,682.00	1,888,412.00

Krishan Kumar Sharma  
Director  
DIN No. : 00856406

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

**NOTES FORMING PART OF THE BALANCE SHEET AND  
PROFIT AND LOSS ACCOUNT(2015-16)****21 SIGNIFICANT ACCOUNTING POLICIES**

The accounts of the company are prepared under the historical cost convention using the accrual method of accounting.

**22 Revenue Recognition****i. Income Recognition**

Dividend on investments and overdue interest is accounted for on receipt basis.

**ii. Expenditure Recognition**

Expenditure is accounted for on accrual basis and full provision is made for all ascertainable liabilities except gratuity, insurance claims, in respect of earlier years and interest on sales tax and Income Tax is accounted for on cash basis.

**23 FIXED ASSETS**

- (a) Fixed Assets are stated at cost plus any incidental expenses incurred thereto for bringing the assets to its intended use less accumulated depreciation.

**24 DEPRECIATION**

- (a) Depreciation on Fixed Assets has been provided for as per the useful lives specified in Schedule II of the Companies Act, 2013.
- (b) Residual value of the Fixed Assets has been fixed by the management at 5% of the original cost of the assets.

**25 INVESTMENT AND DIVIDEND**

Investments are stated at cost & dividend income is accounted for as and when received.

**26 DEFERRED TAX**

Deferred tax assets / liabilities as required under Accounting Standard AS-22 have not been created in view of marginal profits and there is no certainty of using deferred assets in future.

- 27 Some of the Debit and credit balances appearing as on 31st March 2016 are subject to confirmation and reconciliation, if any.
- 28 Amount receivable from Aum Commodity Services Pvt. Ltd.(NSEL) Rs.3,22,03,047.25/- is under dispute, Company is in the process of taking legal action against the party.
- 29 During the year, the company has not made provision for gratuity payable as required under the relevant Act.
- 30 In the opinion of Board of directors, the current assets, loans & Advances have a value of realisation in the ordinary course of business at least equal to the amount at which they are stated unless specially mentioned otherwise and provision for all known liabilities has been made.
- 31 There is a diminution in the value of long term investment of Rs.17,77,371/- as at 31.03.2016 resulting in overstating of investment and understating of loss for the year by the same amount. The management is of the opinion that the said diminution is due to depressed secondary market conditions and as such is of temporary nature. As soon as the secondary market revives the market rate will come to a normal level.

32 Company has not employed a whole Time Company Seceretary due to its adverse financial position.

33 Related party Disclosures

Related party disclosures, as required by AS-18" Related party Disclosures are given below:

a Relationship

i. Subsidiary Companies

(a) Ak Trademarts Pvt. Ltd.

(b) KK Trade & Commercials Pvt. Ltd.

ii. Joint Venture/ joint control/ Associates

(a) John Petershan and Company India Ltd.

iii. Key management Personnel (Whole Time Directors )

Mr. Kamesh kumar Khaitan , Managing Director

Mr. Karuna Devi Khaitan, Director

Mr. Krishan Kumar, Director

Relatives of Key management personnel  
(with whom transaction have taken place)

Amount as on 31/03/2016

1. Mr. Anirudh Khaitan (Son)

-

2. Ms. Sapna Bedi (Daughter-in-Law)

-

iv. Other Related Parties

-

Anshuman Finance Ltd

-

Anshuman Projects Ltd.

-

John Paterson & Co. India Ltd

-

Penguin Leather Products Pvt. Ltd.

-

Rosy Impex India Pvt. Ltd.

-

Wild Orchid Fashions Pvt. Ltd.

-

Ak Trademarts Pvt. Ltd.

270,000.00

KK Trade & Commercials Pvt. Ltd.

-

b Following transactions were carried out with related parties in the ordinary course of business:

	Key management personnel (In ₹)	Relatives of Key Management Personnel (In ₹)	Others (In ₹)
Salaries & allowances	3,661,200.00		
Outstanding Advances / (Loans Liabilities)			270,000.00

**34 Earning per share**

	Particulars	Units	Year ended 31.03.2016
profit/(Loss) after tax	₹	1,073,507.15	-462,499.94
Weighted average of number of equity shares used in computing basic earning per share.	No of Shares	90,00,000	90,00,000
Basic & diluted earning per share (Face Value of ₹ 10/- per share)	₹	0.12	-0.05

**35 Remuneration to Managing Director & Director**

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Salary		
Kamesh Kumar Khaitan	3,000,000	900,000
Krishan Kumar Sharma	661,200	561,200
Value of perquisites	Nil	Nil
<b>Total</b>	<b>3,661,200</b>	<b>1,461,200</b>

36 The Company does not own any sum to any small industrial Undertakings as defined in section 3 of Industries (Development & Regulation) Act, 1951 in terms of notification dated 22.09.99 issued by department of Company Affairs.

37 The Company is registered as Non Banking Financial Company with the Reserve Bank of India and has been complying with prudential norms as prescribed by RBI for NBFC.

38 In term of Accounting Standard AS 28 on impairment of assets issued by Chartered Accountants of India, the company has carried out an exercise to ascertain the impairment, any, in the carrying value of its fixed assets. The exercise has not revealed any impairment of assets during the period of audit.

39 Additional Information pursuant to the provisions of para 5 of Schedule - III of the Companies Act, 2013.

C.I.F. Value of Imports	NIL
Expenditure in foreign currency	Rs.14,20,314/-
Earning of Foreign currency	Rs.39,930/-

**Kamesh Kumar Khaitan**  
Managing Director  
DIN No. : 00755655

**Krishan Kumar Sharma**  
Director  
DIN No. : 00856406

## 41 Disclosure of details as required by Para 9BB of Non Banking Financial Companies Prudential Norms

(Reserve Bank) Directions, 1998.

(₹In Lac)

S.No.	Particulars	Amount O/S	Amount Overdue
<b>Liabilities Side:</b>			
1.	Loans and advances availed by NBFCs inclusive of interest accrued thereon but not paid: (Note: From Directors & Relatives)	-	NIL
2.	Break-up of (1) (f) above (outstanding Public deposits inclusive of interest accrued thereon but not paid)	NIL	NIL
<b>Assets Side :</b>			Amount Outstanding
3.	Break-up of Loans and advances including Bills receivables (other than those included in(4) below) (a) Secured (b) Unsecured		NIL 44,676,627.00
4.	Break-up of Leased Assets and stock on hire and <del>hypothecation</del> Loans counting towards EL/HP activities		NIL
5.	<b>Break-up of Investment :</b>		
<b>Current Investment :</b>			
<b>Quoted :</b>			
(i)	Shares : (a) Equity (b) Preference		NIL NIL
(ii)	Debentures and Bonds		NIL
(iii)	Units of Mutual Funds		NIL
(iv)	Government Securities		NIL
(v)	Others (Please Specify)		NIL
<b>Unquoted :</b>			
(i)	Shares : (a) Equity (b) Preference		NIL NIL
(ii)	Debentures and Bonds		NIL
(iii)	Units of Mutual Funds		NIL
(iv)	Government Securities		NIL
(v)	Others (Please Specify)		NIL

<b>Long Term Investment :</b>			
<b>Quoted :</b>			
(i) Shares : (a) Equity (b)Preference		1,924,184.00 NIL	
(ii) Debentures and Bonds		NIL	
(iii) Units of Mutual Funds		NIL	
(iv) Government Securities		NIL	
(v) Others (Please Specify)		NIL	
<b>Unquoted :</b>			
(i) Shares : (a) Equity (b)Preference		1,903,490.00 NIL	
(ii) Debentures and Bonds		NIL	
(iii) Units of Mutual Funds		NIL	
(iv) Government Securities		NIL	
(v) Others (Please Specify)		NIL	
<b>6. Borrower group wise classification of all leased assets, stock-on-hire and</b>			
Loans and Advances : (Please see Note -2 below)			
<b>Category</b>	<b>Amount net to Provision</b>		
	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
01. Related Parties :		521,242.00	NIL
02. Other than Related Parties :	NIL	44,155,385.00	NIL
<b>Total</b>	<b>NIL</b>	<b>44,676,627.00</b>	<b>NIL</b>

7. Investor group-wise classification of all investments ( current and long term ) in shares and securith both quoted and unquoted

Category	Market Value/Break-up Value or NAV	Book value (Net of Provision)
01. Related Parties :		
(a) Subsidiaries	NIL	110,000.00
(b) Companies in the same group	NIL	2,195,524.00
(c) Other Related Parties	NIL	NIL
02. Other than Related Parties :	NIL	1,522,150.00
<b>Total</b>	<b>NIL</b>	<b>3,827,674.00</b>

8. Other Information

Particulars	Amount
(i) Gross Non - Performing Assets	
01. Related Parties	N
02. Other than Related Parties	I
(ii) Net Non - Performing Assets	
01. Related Parties	L
02. Other than Related Parties	
(iii) Assets acquired in satisfaction of debt	

42 Figures of the previous year are regrouped / rearranged wherever considered necessary.

4D/14, Old Rajinder Nagar,  
New Delhi - 110 060.

For PATNI & CO.  
Chartered Accountants  
Firm Registration No: 320304E

Dated: The 28th day of May 2016

Pankaj Kumar Jain  
(Partner)  
M. No: 058527



## Independent Auditor's Opinion

To the Members of M/S RADICO KHAITAN FINANCE LIMITED.

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/S RADICO KHAITAN FINANCE LIMITED ("the Company"), which comprise the Consolidated Balance Sheet as at 31 March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and safeguarding of the assets of the company and for preventing & detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting & auditing standards and other matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Director, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

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

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2016,
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (c) in case of Consolidated Cash Flow Statement, of the cash flows of the company for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a Statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement comply with Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the act.

- (f) With respect to the adequacy of the internal financial controls over the financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report Annexure B; and.
- (g) With respect to the other matters to be included in the Auditors' report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
- i. The company does not have pending litigation which would impact its financial position.
  - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Invest Education and Protection Fund by the Company.

Place: New Delhi

**For Patni & Co.**  
**Chartered Accountants**  
**Firm Registration No: 320304E**

Date: The 28th day of May 2016

**Pankaj Kumar Jain**  
**Partner**  
**Membership No: 058527**

**ANNEXURE A REFERRED TO IN 1 UNDER THE HEADING "REPORT  
ON OTHER LEGAL AND REGULATORY REQUIREMENTS"**

**To the Members of M/S RADICO KHAITAN FINANCE LIMITED.**

- I. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) All the assets of the company were physically verified by the management at reasonable intervals. We have been informed that no material discrepancies have been noticed on such physical verification.  
c) According to the information & explanations given to us and on the basis of our examination of records of the company, the title deeds of the immovable properties are held in the name of company.
- II. According to the information & explanations given to us, physical verification of stocks has been conducted by the management during the year at reasonable intervals and no material discrepancies have been noticed on such physical verification.
- III. The company has not granted any loans to companies, Firms, LLPs or other parties covered in the register maintain under section 189 of the Companies Act, 2013
- IV. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of Companies Act, 2013 in respect of Loans, Investments, Guarantees and Security.
- V. According to the information and explanations given to us, the Company has not accepted any deposit from the public.
- VI. Requirement of maintenance of cost records under Section 148 (1) of the Companies Act, 2013 is not applicable in case of the Company.
- VII. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues wherever applicable to it. No amounts payable in respect of the statutory dues as mentioned above were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Custom duty, Cess and Excise Duty which have not been deposited on account of any dispute.
- VIII. According to the information and explanations given to us, the company has not defaulted in repayment of loan or borrowing to a financial institution, bank, government or due to debenture holders.

**RADICO KHAITAN FINANCE LIMITED**

CIN NO. U74899DL1984PLC019

- IX. The company did not raise any money by way of Initial Public Offer or Further Public Offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(f) of the Order is not applicable.
- X. According to the information & explanations given to us, no material fraud by the company on the company by its officers and employees has been noticed or reported during the course of our audit.
- XI. According to the information and explanations given to us and based on our examination of the records of the company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V to the Companies Act.
- XII. In our opinion and according to the information & explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- XIII. According to the information and explanations given to us and based on our examination of the records of the company, all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the consolidated financial statements as required by applicable accounting standards.
- XIV. According to the information and explanations given to us and based on our examination of the records of the company, company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- XVI. The company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: New Delhi

Date: The 28th day of May 2016

**For Patni & Co.**  
**Chartered Accountants**  
Firm Registration No: 320304E

**Pankaj Kumar Jain**  
**Partner**  
Membership No: 058527

**ANNEXURE B TO THE AUDITORS' REPORT**

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **M/S RADICO KHAITAN FINANCE LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the company has, in all material aspects, an adequate financial control system over financial reporting and such internal control over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi

For Patni & Co.  
Chartered Accountants  
Firm Registration No: 320304E

Date: The 28th day of May 2016

Pankaj Kumar Jain  
Partner  
Membership No: 058527

## Consolidated Balance Sheet as at 31st March 2016

Particulars	Note	As at No. 31st March 2016	As at 31st March 2015
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Fund</b>			
Share Capital	1	90,000,000.00	90,000,000.00
Reserves and Surplus	2	8,417,207.10	7,044,689.95
<b>(2) Non-current liabilities</b>			
Long-term borrowings	3	8,665,117.00	1,569,731.77
<b>(3) Current Liabilities</b>			
Short-term borrowings	4	-	9,369,486.40
Trade payables	5	-	1,570,978.23
Other current liabilities	6	1,369,408.00	2,139,954.00
Short-term Provisions	7	113,269.00	-
<b>TOTAL</b>		<b>108,565,001.10</b>	<b>111,694,840.35</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
Fixed assets	8	9,126,682.00	1,686,412.00
Non-current investments	9	2,039,379.00	2,018,727.00
Long term loans and advances	10	45,306,627.00	47,555,700.13
<b>(2) Current assets</b>			
Inventories	11	13,687,965.00	19,939,148.00
Trade receivables	12	32,203,047.25	32,203,047.25
Cash and cash equivalents	13	886,728.93	(578,840.56)
Short term loans and advances	14	5,314,571.92	8,870,646.53
<b>TOTAL</b>		<b>108,565,001.10</b>	<b>111,694,840.35</b>

Notes referred above form an integral part of the Balance Sheet.

As per our separate report of even date attached.

44D/14, Old Rajinder Nagar,  
New Delhi - 110 060.

Dated: The 28th day of May 2016

**Kamesh Kumar Khaitan**  
Managing Director  
DIN No. : 00755655

**For PATNI & CO.**  
Chartered Accountants  
Firm Registration No: 320304E  
**Pankaj Kumar Jain**  
(Partner)  
M. No: 058527  
**Krishan Kumar Sharma**  
Director  
DIN No. : 00856406



## Consolidated Profit and loss statement for the year ended on 31st March 2016

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
I. Revenue from operations	15	50,958,444.99	42,493,020.00
II. Other Income	16	225,254.00	
III. Total Revenue ( I + II )		<u>51,183,698.99</u>	<u>42,493,020.00</u>
IV. Expenses :			
Purchases of stock-in-trade		26,610,307.00	20,773,507.00
Changes in inventories	17	6,251,183.00	8,319,561.00
Employee Benefits Expenses	18	1,154,644.00	1,106,064.00
Finance cost	19	859,458.86	1,887,523.00
Depreciation and amortization expense	8	3,754,598.00	2,316,913.00
Other expenses	20	10,783,681.98	7,963,000.00
Total Expenses		<u>49,413,872.84</u>	<u>42,366,568.00</u>
V. Profit before tax ( III - IV )		<u>1,769,826.15</u>	<u>126,452.00</u>
VI. Tax Expense		394,692.00	588,951.00
(1) Current Tax		394,692.00	603,260.00
(2) Income for earlier years		-	(14,308.00)
VII. Net Profit after Tax (V-VI) Before Profit/ (Loss) of Associates & Minority Interests		<u>1,375,134.15</u>	<u>(462,499.00)</u>
Share of Profit/(Loss) of Associates		20,652.00	20,217.00
Less: Minority Interest		135,732.00	
Net Profit/(Loss) for the period		<u>1,260,054.15</u>	<u>(442,282.00)</u>
VIII. Earning per equity share			
(1) Basic		0.14	
(2) Diluted		0.14	

Notes referred above form an integral part of the Profit and loss statement.

As per our separate report of even date attached

44D/14, Old Rajinder Nagar,  
New Delhi - 110 060.

Dated: The 28th day of May 2016

**Kamesh Kumar Khaitan**  
Managing Director  
DIN No. : 00755655

**For PATNI & CO.**  
Chartered Accountants  
Firm Registration No: 320304E

**Pankaj Kumar Jain**  
(Partner)  
M. No: 058527

**Krishan Kumar Sharma**  
Director  
DIN No. : 00856406

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH 2016**

(Amount in Rupees Lacs)

Particulars	Current Year	Previous Year
<b>Cash Flow from Operating activities</b>		
Net Profit before Tax & extra ordinary items	17.70	1.26
Adjustment for		
Profit/(Loss) on sale of Fixed Assets	(2.25)	-
Depreciation	37.55	23.17
<b>Operating Profit Before working capital change</b>	<b>52.99</b>	<b>24.43</b>
Adjustment for change in		
Trade receivables	-	1.30
Short Term Loans & Advances	35.56	(53.60)
Inventories	62.51	83.20
Other Current Liabilities	(7.71)	16.43
Trade payables	(15.71)	15.71
Short Term Borrowings	(93.69)	(786.03)
Cash generated from operating activities	33.95	(698.56)
Income Tax( Paid)/Refund	(3.95)	(5.87)
<b>Net cash Provided by operating activities</b>	<b>(A) 30.00</b>	<b>(704.43)</b>
<b>Cash flow from investing activities</b>		
Purchase/Sale of fixed assets	(109.70)	(0.09)
Increase/Decrease of Long Term Advances	19.79	431.46
Purchase/Sale of Non Current Investment	(1.10)	35.49
<b>Net cash Provided by Investing Activities</b>	<b>(B) (91.01)</b>	<b>466.86</b>
<b>Cash Flow from financing activities</b>		
Increase in long term borrowing	73.65	(37.59)
Issue of Share Capital	2.00	243.69
<b>Net cash Provided by Financing Activities</b>	<b>(C) 75.65</b>	<b>206.10</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>(A+B+C) 14.65</b>	<b>(31.47)</b>
Cash and Cash Equivalents at the beginning of the year	(5.79)	25.68
<b>Cash and Cash Equivalents at the end of year</b>	<b>8.86</b>	<b>(5.79)</b>

We have examined the attached Consolidated cash flow statement of Radico Khaitan Finance Ltd for the period year ended 31st March, 2016. The statement has been prepared by the company in accordance with the requirements of listing agreement and is based on and in agreement with the corresponding profit & loss account and Balance Sheet of the Company covered by our report to the members of the company.

As per our report of even date annexed

For PATNI & CO.  
Chartered Accountants  
Firm Registration No: 320304E

Pankaj Kumar Jain  
(Partner)  
M. No. 058527  
Dated: The 28th day of May 2016

Krishan Kumar Sharma  
Director  
DIN No. : 00856406

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

**RADICO KHAITAN FINANCE LIMITED.***Consolidated Notes to Financial statement for the year ended on 31st March 2016***1 Share Capital**

S.No.	Particulars	As at 31st March 2016	As at 31st March 2015
1	<b>Authorised Share Capital</b>		
(a)	1,49,90,000 Equity Shares of Rs. 10 each	149,90,000.00	149,90,000.00
(b)	1,000 13.5% Redeemable Cumulative Preference Share Rs. 100 Each	100,000.00	100,000.00
		<u>150,00,000.00</u>	<u>150,00,000.00</u>
2	<b>Issued &amp; Subscribed Share Capital</b>		
(a)	90,00,000 Equity Shares of Rs. 10/- each	90,00,000.00	90,00,000.00
		<u>90,00,000.00</u>	<u>90,00,000.00</u>
a)	<b>Reconciliation of No. of shares</b>		
	Opening Number of Shares	9,00,000	9,00,000
Add :	Issued during the year	-	-
	Closing Number of Shares	<u>9,00,000</u>	<u>9,00,000</u>
b)	<b>Details of shareholders holding more than 5% share</b>		
		(No. of shares)	
1	John Paterson & Co(I) Ltd.	325,955	325,955
2	Anshuman Finance Ltd	580,000	580,000
3	Janapriya Kalyan Kosh Pvt Ltd	671,796	671,796
4	Kamlesh Kumar Khaitan	550,000	550,000
5	Karuna 'Devi Khaitan	900,000	900,000
6	Anirudh Khaitan	850,833	850,833
	<b>Total</b>	<u>3,878,584</u>	<u>3,878,584</u>

c) During the immediately preceding five years the company has not issued shares by way of Bonus Shares or pursuant of contracts without payment being received in cash

d) During the immediately preceding five years the company has not bought back any shares.

**Kamesh Kumar Khaitan**  
**Managing Director**  
 DIN No. : 00755655

**Krishan Kumar Sharma**  
**Director**  
 DIN No. : 00856406

**2 Reserve and Surplus**

S.No.	Particulars	As at 31st March 2016	As at 31st March 2015
<b>1</b>	<b>Consolidated Profit and loss account</b>		
	Opening balance	(425,900.00)	1,643,046.94
	Add : Post Acquisition Profit of Associates	-	(1,719,164.00)
	Add : Addition during the year	1,260,054.15	(442,282.94)
	Less : Deduction during the year	-	-
	Transferred for Provision For standard assets	113,269.00	-
	Transferred to Statutory Reserve U/S 451C of RBI Act.	214,701.00	(92,500.00)
	<b>Closing balance</b>	<b>506,184.15</b>	<b>(425,900.00)</b>
<b>2</b>	<b>Consolidated Share Premium</b>		
	Opening balance	7,000,000.00	700,000.00
	Add : Addition during the year	-	6,300,000.00
	Less : Deduction during the year	-	-
	<b>Closing balance</b>	<b>7,000,000.00</b>	<b>7,000,000.00</b>
<b>3</b>	<b>Consolidated Statutory Reserve</b>		
	Opening balance	470,589.95	563,089.95
	Add : Addition during the year	214,701.00	(92,500.00)
	Less : Deduction during the year	-	-
	<b>Closing balance</b>	<b>685,290.95</b>	<b>470,589.95</b>
<b>4</b>	<b>Minority Interests</b>	<b>225,732.00</b>	<b>-</b>
	<b>Total</b>	<b>8,417,207.10</b>	<b>7,044,689.95</b>
<b>3</b>	<b>Long term borrowings</b>		
	Secured Long term borrowings		
<b>1</b>	Term Loans		
	From Banks		
a)	HDFC Bank Car Loan	-	813,648.77
b)	Kotak Mahindra car Loan	8,230.00	192,083.00
c)	The Federal Bank Car Loan	8,092,887.00	-
	Other Long term borrowings		
	Jennifer Prem	564,000.00	564,000.00
	<b>Total</b>	<b>8,665,117.00</b>	<b>1,569,731.77</b>
<b>1</b>	Car Loan is secured against car itself.		
<b>2</b>	The car loan will be repais as follows :		
	Financial Year (16-17)	17.05 lacs	
	Financial Year (17-18)	18.66 lacs	
	Financial Year (18-19)	20.61 lacs	
	Financial Year (19-20)	24.77 lacs	

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

Krishan Kumar Sharma  
Director  
DIN No. : 00856406

**4 Short term borrowings**

S. No.	Particulars	As at 31st March 2016	As at 31st March 2015
	<b>Unsecured Short term borrowings</b>		
1	Loans and advances from related parties	-	3,932,361.00
2	Other Loans and advances	-	5,437,125.00
	<b>Total</b>	<b>-</b>	<b>9,369,486.00</b>
5	Trade payables		
1	Aum Capital Market Pvt LTd	-	1,570,978.00
	<b>Total</b>	<b>-</b>	<b>1,570,978.00</b>
6	<b>Other Current Liabilities</b>		
	Other Liabilities	1,369,408.00	2,139,954.00
	<b>Total</b>	<b>1,369,408.00</b>	<b>2,139,954.00</b>
7	<b>Short term Provisions</b>		
1	Contingent Provision against standard assets		
	Opening balance	-	-
	Add : Addition during the year	113,269.00	-
	Less : Deduction during the year	-	-
	Closing balance	113,269.00	-
9	<b>Non-current Investments</b>		
1	Investment in shares	2,039,379.00	2,018,727.00
	<b>Total</b>	<b>2,039,379.00</b>	<b>2,018,727.00</b>
	Sub Classification of non-current investments		
1	Quoted Investments		
	Book Value	245,889.00	225,237.00
	Market Value	Not Available	Not Available
2	Aggregate amount of unquoted investments	1,793,490.00	1,793,490.00
	<b>Total</b>	<b>2,039,379.00</b>	<b>2,018,727.00</b>
4	<b>Investment in :</b>		
(a)	Associates	40,869.00	20,217.00

**Kamesh Kumar Khaitan**  
**Managing Director**  
DIN No. : 00755655

**Krishan Kumar Sharma**  
**Director**  
DIN No. : 00856406

**10 Long term loans and advances**

S. No.	Particulars	As at 31st March 2016	As at 31st March 2015
	<b>Unsecured, considered good</b>		
1	Loans and Advances to Related Parties	-	501,902.13
2	Other loan and advances	45,306,627.00	47,053,798.00
	<b>Total</b>	<b>45,306,627.00</b>	<b>47,555,700.13</b>
<b>11</b>	<b>Inventories</b>		
1	Stock-in-Hand (As Certified By the Management)	13,687,965.00	19,939,148.00
	<b>Total</b>	<b>13,687,965.00</b>	<b>19,939,148.00</b>
	Mode of valuation : Stock is valued at cost.		
<b>12</b>	<b>Trade receivables</b>		
	Unsecured, considered Doubtful		
1	For period exceeding six months	32,203,047.25	32,203,047.25
	<b>Total</b>	<b>32,203,047.25</b>	<b>32,203,047.25</b>
<b>13</b>	<b>Cash and cash equivalents</b>		
1	Balances with banks		
	(a) Current Account	488,703.48	(1,329,263.01)
2	Cash on hand ( As Certified By the Management)	398,025.45	750,422.45
	<b>Total</b>	<b>886,728.93</b>	<b>(578,840.56)</b>
<b>14</b>	<b>Short term loans and advances</b>		
	Unsecured, considered good		
1	Income Tax Deducted At Source	4,064,344.49	3,153,515.09
2	Service Tax	15,177.00	-
3	Interest Receivable	909,595.00	5,664,705.00
4	Credit Card	129,455.43	13,426.44
5	Advances to Dev Kumar Mandal	140,000.00	-
6	Advanes to Bibek Kumar Sahoo	56,000.00	39,000.00
	<b>Total</b>	<b>5,314,571.92</b>	<b>8,870,646.53</b>

**Kamesh Kumar Khaitan**  
**Managing Director**  
DIN No. : 00755655

**Krishan Kumar Sharma**  
**Director**  
DIN No. : 00856406

**15 Revenue from operations**

S. No.	Particulars	As at 31st March 2016	As at 31st March 2015
1	Sale of products	33,036,861.00	22,581,582.00
2	Sale of Services		
	Consultancy Charges	-	2,870,000.00
3	Other Incomes		
	Long term profit on shares	-	21,000.00
	Interest income	17,579,552.40	12,968,551.60
	Profit On Trading Of Future & Option	242,976.59	4,027,537.14
	Dividend income	59,125.00	24,349.90
	Commission Income	39,930.00	-
	<b>Total</b>	<b>50,958,444.99</b>	<b>42,493,020.64</b>
<b>16</b>	<b>Other Income</b>		
1	Profit on sale of Assets	225,254.00	-
	<b>Total</b>	<b>225,254.00</b>	<b>-</b>
<b>17</b>	<b>Changes in Inventories</b>		
1	<b>Opening Stock</b>		
	Finished goods	19,939,148.00	28,258,709.00
2	<b>Closing Stock</b>		
	Finished goods	13,687,965.00	19,939,148.00
	<b>Changes in inventories</b>	<b>6,251,183.00</b>	<b>8,319,561.00</b>
<b>18</b>	<b>Employee Benefit Expenses</b>		
1	Salaries & Wages	1,141,000.00	1,068,000.00
2	Staff Welfare Expenses	13,644.00	38,064.00
	<b>Total</b>	<b>1,154,644.00</b>	<b>1,106,064.00</b>
<b>19</b>	<b>Finance Cost</b>		
1	Interest Expense	859,458.86	1,887,523.53
	<b>Total</b>	<b>859,458.86</b>	<b>1,887,523.53</b>

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

Krishan Kumar Sharma  
Director  
DIN No. : 00856406

**20 Other Expenses**

S. No.	Particulars	As at 31st March 2016	As at 31st March 2015
1	AGM Expenses	246,139.00	125,434.00
2	Annual DP Maintenance Charges	-	30,000.00
3	Annual listing Charges	28,625.00	-
4	Bank Charges	31,024.69	6,903.00
5	Business Promotion	2,036,532.17	1,695,946.38
6	Demat Expenses	254.51	117.96
7	Electricity & Water Charges	450,732.00	448,184.00
8	Filing Fees	36,600.00	10,800.00
9	Generator Running Expenses	105,309.66	68,310.74
10	Insurance Expenses	299,951.00	267,743.00
11	Legal & Professional Charge	108,404.00	193,639.00
12	Listing Processing Charges	400,750.00	-
13	Misc Expenses	20,407.48	109,247.91
14	Rate & Taxes	384.00	-
15	Penalty on TDS	-	85,699.00
16	Postage & Courier	-	6,516.00
17	Printing & Stationery	4,500.00	26,017.55
18	Repair & Maintenance	72,000.00	9,200.00
19	Statutory Audit Fees	75,000.00	25,000.00
20	Sundry Balances W/off	5,112.95	(2,303.80)
21	Tax Audit Fees	15,000.00	15,000.00
22	Telephone Expenses	476,195.25	258,641.61
23	Travelling & Conveyance	2,201,806.03	2,825,583.11
24	Vehicle Running & Maintenance	449,094.24	296,120.89
25	Director's Remuneration	3,661,200.00	1,461,200.00
26	Preliminary Expenses	43,270.00	-
27	Conveyance Expenses	9,800.00	-
28	Office Expenses	5,590.00	-
	<b>Total</b>	<b>10,783,681.98</b>	<b>7,963,000.35</b>

**Kamesh Kumar Khaitan**  
**Managing Director**  
DIN No. : 00755655

**Krishan Kumar Sharma**  
**Director**  
DIN No. : 00856406



Note No - 8

**FIXED ASSETS**

S.No.	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 31st March 2015	Addition/ (Deletion) during the year	As at 31st March 2016	As at 31st March 2015	During the year	Deletion During the Year	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
1	Air Conditioners	29,500.00	(29,500.00)	-	28,025.00	-	1,475.00	29,500.00	-	1,475.00
2	Car (Mercedes)	5,299,702.00	(5,299,702.00)	-	4,176,216.00	86,278.00	1,037,208.00	5,299,702.00	-	1,123,486.00
3	Car (Porsche)	-	12,046,072.00	12,046,072.00	-	3,535,238.00	-	3,535,238.00	8,510,834.00	-
4	Car (Swift)	589,104.00	-	589,104.00	313,598.00	86,041.00	-	399,639.00	189,465.00	275,506.00
5	Computers	35,490.00	(35,490.00)	-	27,241.00	-	8,249.00	35,490.00	-	8,249.00
6	Furniture & Fixtures	2,031,022.49	-	2,031,022.49	1,928,069.49	518.00	-	1,928,587.49	102,435.00	102,953.00
7	Generator	40,000.00	(40,000.00)	-	38,000.00	-	2,000.00	40,000.00	-	2,000.00
8	Motor Vehicles	-	56,307.00	56,307.00	-	10,197.00	-	10,197.00	48,110.00	-
9	Office Equipments	2,986,060.00	147,235.00	3,133,334.00	2,819,170.00	36,328.00	-	2,855,498.00	277,838.00	166,929.00
10	Refrigerator	29,590.00	(29,590.00)	-	26,648.00	-	2,941.00	29,590.00	-	2,941.00
11	Scanner	10,900.00	(10,900.00)	-	10,355.00	-	545.00	10,900.00	-	545.00
12	Water Dispenser	9,500.00	(9,500.00)	-	7,172.00	-	2,328.00	9,500.00	-	2,328.00
	<b>Total</b>	<b>11,060,907.49</b>	<b>6,794,932.00</b>	<b>17,855,839.49</b>	<b>9,374,495.49</b>	<b>3,754,898.00</b>	<b>1,054,746.00</b>	<b>14,183,839.49</b>	<b>9,126,682.00</b>	<b>1,868,412.00</b>

Krishan Kumar Sharma  
Director  
DIN No. : 00856406

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

**NOTES FORMING PART OF THE BALANCE SHEET AND  
PROFIT AND LOSS ACCOUNT(2015-16)****21 SIGNIFICANT ACCOUNTING POLICIES**

The accounts of the company are prepared under the historical cost convention using the accrual method of accounting.

**22 Revenue Recognition****i. Income Recognition**

Dividend on investments and overdue interest is accounted for on receipt basis.

**ii. Expenditure Recognition**

Expenditure is accounted for on accrual basis and full provision is made for all ascertained liabilities except gratuity, insurance claims, in respect of earlier years and interest on sales tax and Income Tax is accounted for on cash basis.

**23 FIXED ASSETS**

- (a) Fixed Assets are stated at cost plus any incidental expenses incurred thereto for bringing the assets to its intended use less accumulated depreciation.

**24 DEPRECIATION**

- (a) Depreciation on Fixed Assets has been provided for as per the useful lives specified in Schedule II of the Companies Act, 2013.
- (b) Residual value of the Fixed Assets has been fixed by the management at 5% of the original cost of the assets.

**25 INVESTMENT AND DIVIDEND**

Investments are stated at cost & dividend income is accounted for as and when received.

**26 DEFERRED TAX**

Deferred tax assets / liabilities as required under Accounting Standard AS-22 have not been created in view of marginal profits and there is no certainty of using deferred assets in future.

- 27 Some of the Debit and credit balances appearing as on 31st March 2016 are subject to confirmation and reconciliation, if any.
- 28 Amount Receivable from Aum Commodity Services Pvt. Ltd.(NSEL) Rs.3,22,03,047.25/- is in dispute, Company is in the process of taking legal case against party.
- 29 During the year, the company has not made provision for gratuity payable as required under the relevant Act.
- 30 In the opinion of Board of directors, the current assets, loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated unless specially mentioned otherwise and provision for all known liabilities has been made.

**31 Principles of Consolidation**

The Consolidated Financial Statements relate to Financial Statements of Radico Khaitan Finance Limited ('the Company') and its Subsidiary Companies and Associates ('the Group').

The consolidated financial statements have been prepared on the following basis:

**A) Subsidiaries**

- (i) The subsidiaries have been consolidated by applying Accounting Standard 21 "Consolidated Financial Statements".
- (ii) Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.
- (iii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- (iv) The excess of the cost of acquisition over the Company's portion of equity and reserves of the subsidiary company at each time an investment is made in a subsidiary is recognised in the financial statements as goodwill. Further, any excess of equity and reserves over cost of acquisition is accounted for as capital reserve.
- (v) Minority Interest in the Net Assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

**B) Associates**

- I) Investment in Associates (entity over which the group exercises significant influence, which is neither a subsidiary nor a joint venture) are accounted for using the equity method in accordance with Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements", whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the investor's share of net assets of the investee.
- II) The Consolidated Financial Statements have been prepared using financial statements drawn up to same reporting dates to the extent practicable and where financial statements used are drawn up to different reporting dates adjustments are made for any significant transactions for events occurring between those dates and the date of this financial statement.
- III) All subsidiaries and associates have been considered in preparation of Consolidated Balance sheet, Consolidated Statement of Profit & Loss and Consolidated Cash flow statement.

32 There is a diminution in the value of long term investment of Rs.1,45,944/- as at 31.03.2016 resulting in overstating of investment and understating of loss for the year by the same amount. The management is of the opinion that the said diminution is due to depressed secondary market conditions and as such is of temporary nature. As soon as the secondary market revives, the market rate will come to a normal level.

33 Company has not employed a whole Time Company Secretary due to its adverse financial position.

## 34 Related party Disclosures

Related party disclosures, as required by AS-18" Related party Disclosures are given below:

## a Relationship

## i. Subsidiary Companies

(a) Ak Trademarts Pvt. Ltd.

(b) KK Trade &amp; Commercials Pvt. Ltd.

## ii. Joint Venture/ joint control/ Associates

(a) John Petershan and Company India Ltd.

## iii. Key management Personnel (Whole Time Directors )

Mr. Kamesh kumar Khaitan , Managing Director

Mr. Karuna Devi Khaitan, Director

Mr. Krishan Kumar, Director

Relatives of Key management personnel

Amount as on 31st March, 2016

(with whom transaction have taken place)

1. Mr. Anirudh Khaitan (Son)

2. Ms. Sapna Bedi (Daughter-in-Law)

## iv. Other Related Parties

Anshuman Finance Ltd

Anshuman Projects Ltd.

John Paterson &amp; Co. India Ltd

Penguin Leather Products Pvt. Ltd.

Rosy Impex India Pvt. Ltd.

Wild Orchid Fashions Pvt. Ltd.

## b Following transactions were carried out with related parties in the ordinary course of business:

	Key management personnel (In ₹)	Relatives of Key Management Personnel (In ₹)	Others (In ₹)
Salaries & allowances	3,661,200.00		
Outstanding Advances / (Loans Liabilities)			

Kamesh Kumar Khaitan  
Managing Director  
DIN No. : 00755655

Krishan Kumar Sharma  
Director  
DIN No. : 00856406

**35 Earning per share**

Particulars	Units	Year ended 31.03.2016	Year ended 31.03.2015
profit/(Loss) after tax	₹	1,260,054.15	-442,282.94
Weighted average of number of equity shares used in computing basic earning per share.	No of Shares	90,00,000	90,00,000
Basic & diluted earning per share (Face Value of ₹ 10/- per share)	₹	0.14	-0.05

**36 Remuneration to Managing Director & Director**

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Salary		
Kamesh Kumar Khaitan	3,000,000	900,000
Krishan Kumar Sharma	661,200	561,200
Value of perquisites	Nil	Nil
<b>Total</b>	<b>3,661,200</b>	<b>1,461,200</b>

- 37 The Company does not own any sum to any small industrial Undertakings as defined in section 3 of Industries (Development & Regulation) Act, 1951 in terms of notification dated 22.09.99 issued by department of Company Affairs.
- 38 The Company is registered as Non Banking Financial Company with the Reserve Bank of India and has been complying with prudential norms as prescribed by RBI for NBFC.
- 39 In term of Accounting Standard AS 28 on impairment of assets issued by Chartered Accountants of India, the company has carried out an exercise to ascertain the impairment, if any, in the carrying value of its fixed assets. The exercise has not revealed any impairment of assets during the period of audit.
- 40 Additional Information pursuant to the provisions of para 5 of Schedule - III of the Companies Act, 2013.
- |                                 |                |
|---------------------------------|----------------|
| C.I.F. Value of Imports         | NIL            |
| Expenditure in foreign currency | Rs.14,20,314/- |
| Earning of Foreign currency     | Rs.39,930/-    |

**Kamesh Kumar Khaitan**  
Managing Director  
DIN No. : 00755655

**Krishan Kumar Sharma**  
Director  
DIN No. : 00856406

**41 Disclosure of details as required by Para 9BB of Non Banking Financial Companies Prudential Norms**

(Reserve Bank) Directions, 1998.

(₹In Lac)

S.No.	Particulars	Amount O/S	Amount Overdue
<b>Liabilities Side:</b>			
1.	Loans and advances availed by NBFCs inclusive of interest accrued thereon but not paid: (Note: From Directors & Relatives)		NIL
2.	Break-up of (1) (f) above (outstanding Public deposits inclusive of interest accrued thereon but not paid)	NIL	NIL
<b>Assets Side :</b>			<b>Amount Outstanding</b>
3.	Break-up of Loans and advances including Bills receivables (other than those included in(4) below) (a) Secured (b) Unsecured		NIL 45,306,627.00
4.	Break-up of Leased Assets and stock on hire and hypothecation Loans counting towards EL / HP activities		NIL
5.	Break-up of Investment :		
<b>Current Investment :</b>			
<b>Quoted :</b>			
(i)	Shares : (a) Equity (b) Preference	NIL	NIL
(ii)	Debentures and Bonds		NIL
(iii)	Units of Mutual Funds		NIL
(iv)	Government Securities		NIL
(v)	Others (Please Specify)		NIL
<b>Unquoted :</b>			
(i)	Shares : (a) Equity (b) Preference	NIL	NIL
(ii)	Debentures and Bonds		NIL
(iii)	Units of Mutual Funds		NIL
(iv)	Government Securities		NIL
(v)	Others (Please Specify)		NIL

Long Term Investment :			
<b>Quoted :</b>			
(i) Shares : (a) Equity (b)Preference		245,889.00 NIL	
(ii) Debentures and Bonds		NIL	
(iii) Units of Mutual Funds		NIL	
(iv) Government Securities		NIL	
(v) Others (Please Specify)		NIL	
<b>Unquoted :</b>			
(i) Shares : (a) Equity (b)Preference		1,793,490.00 NIL	
(ii) Debentures and Bonds		NIL	
(iii) Units of Mutual Funds		NIL	
(iv) Government Securities		NIL	
(v) Others (Please Specify)		NIL	
6- Borrower group wise classification of all leased assets, stock-on-hire and Loans and Advances : (Please see Note -2 below)			
Category	Amount net to Provision		
	Secured	Unsecured	Total
01- Related Parties :	NIL	251,242.00	NIL
02- Other than Related Parties :	NIL	45,055,385.00	NIL
<b>Total</b>	<b>NIL</b>	<b>45,306,627.00</b>	<b>NIL</b>

7. Investor group-wise classification of all investments ( current and long term ) in shares and securith both quoted and unquoted

Category	Market Value/Break-up	Book value
	Value or NAV	(Net of Provision)
01- Related Parties :		
(a) Subsidiaries	NIL	-
(b) Companies in the same group	NIL	517,229.00
(c) Other Related Parties	NIL	NIL
02- Other than Related Parties :	NIL	1,522,150.00
<b>Total</b>	<b>NIL</b>	<b>2,039,379.00</b>

8. **Other Information**

Particulars	Amount
(i) Gross Non - Perfotming Assets	
01- Related Parties	N
02- Other than Related Parties	
(i) Net Non - Perfotming Assets	I
01- Related Parties	
02- Other than Related Parties	L
(iii) Assets acquired in satisfaction of debt	

- 42 Figures of the previous year are regrouped / rearranged wherever considered necessary.

4D/14, Old Rajinder Nagar,  
New Delhi - 110 060.

**For PATNI & CO.**  
**Chartered Accountants**  
Firm Registration No: 320304E

Dated: The 28th day of May 2016

**Pankaj Kumar Jain**  
(Partner)  
M. No: 058527





**PROXY FROM**

\* DP. ID : \_\_\_\_\_ Regd. Folio No. : \_\_\_\_\_

\* Client ID : \_\_\_\_\_ No. of Shares held : \_\_\_\_\_

I/We \_\_\_\_\_

of \_\_\_\_\_ being

a member / members of Radico Khaitan Finance Ltd hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him

\_\_\_\_\_ of \_\_\_\_\_

as my / our proxy to vote from me/ us on my / behalf at the 30th Annual General Meeting of the Company to be held on Friday, the 30th September, 2016 at 10. a.m. at Pt. Gyani Ram Farm House C/o Bijender Sharma, Advo. Near Syndicate Bank , Main Road Asola, Fatehpur Beri, New Delhi – 110074

Affix  
15 paise  
Revenue  
stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Note : ( 1 ) The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid meeting. The Proxy need not be a member of the Company.

\*Applicable for investors holding shares in electronic form.