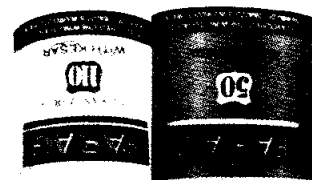
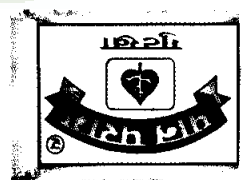
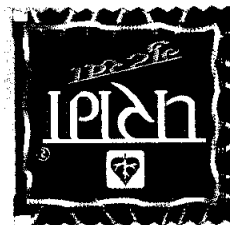
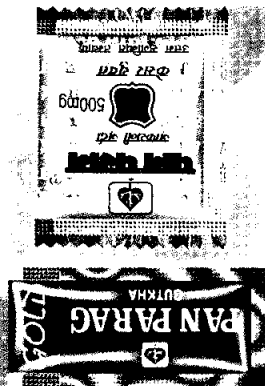




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17th ANNUAL REPORT 2000-2001



OUR PRODUCTS

**KOTHARI**
PRODUCTS LIMITED**CONTENTS**

Board of Directors	2
Chairman	3
Highlights	4
Notice	5-11
Directors' Report	12-15
Auditors' Report	16-17
Balance Sheet	18
Profit & Loss Account	19
Schedules to Accounts	20-30
Balance Sheet Abstract and Company's General Business Profile	31
Cash Flow Statement	32



BOARD OF DIRECTORS

Chairman

M.M. KOTHARI

Managing Director

DEEPAK KOTHARI

Executive Director

MITESH KOTHARI

Directors

SHARDA M. KOTHARI
INDRA KUMAR BAGRI
DR. AVINASH GUPTA
RAJU B. SHAH
PRAMOD KUMAR TANDON
ONKAR NATH CHATURVEDI

Company Secretary

RAJ KUMAR GUPTA

AUDITORS

MEHROTRA & MEHROTRA

Chartered Accountants

16/19-F, Civil Lines

Kanpur - 208 001

AUDIT COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DEEPAK KOTHARI
SHARDA M. KOTHARI
DR. AVINASH GUPTA
INDRA KUMAR BAGRI
RAJU B. SHAH

SHARE TRANSFER & SHAREHOLDERS'/ INVESTORS' GRIEVANCE COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DEEPAK KOTHARI
SHARDA M. KOTHARI
MITESH KOTHARI

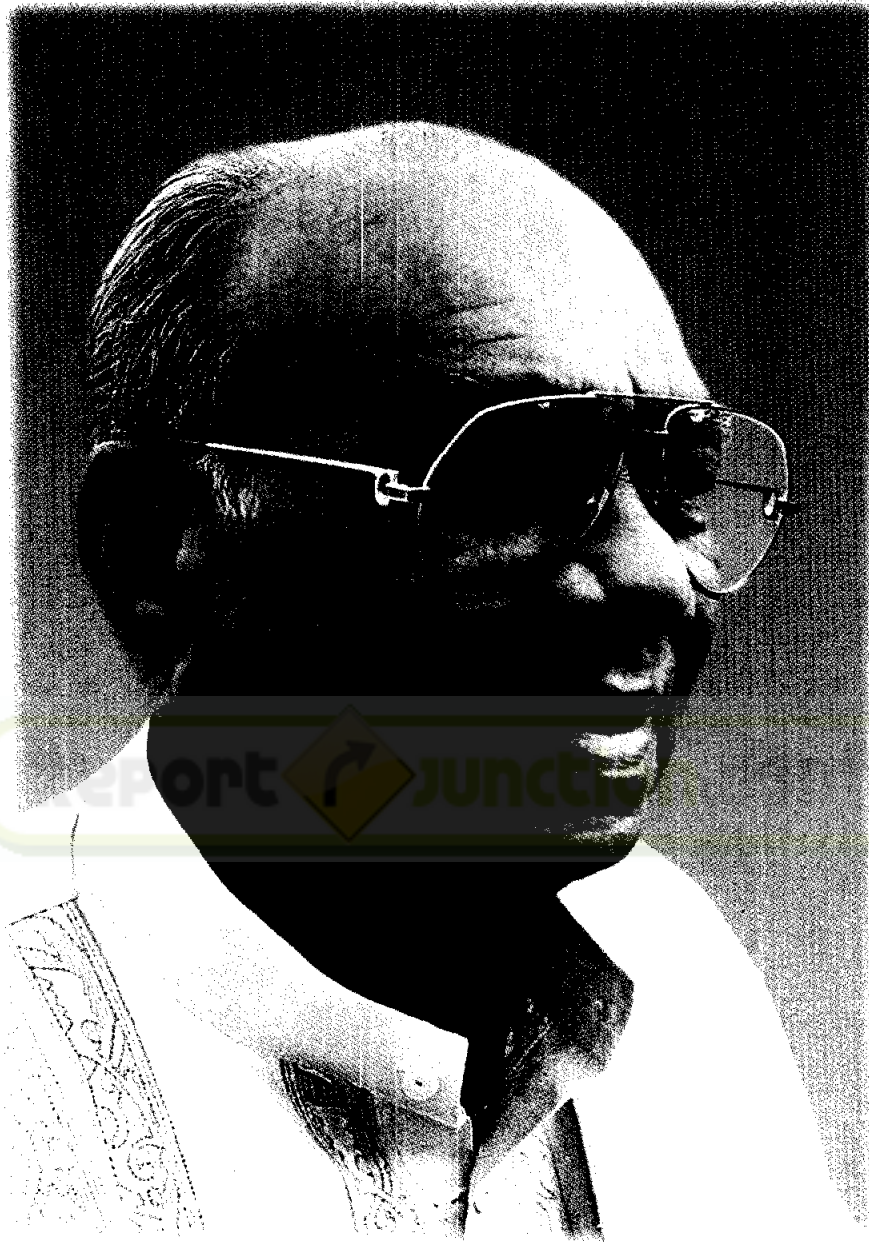
REGISTERED OFFICE AND INVESTORS SERVICES DEPARTMENT

"Pan Parag House" 24/19, The Mall, Kanpur - 208 001.

Visit us on Internet at : <http://www.panparag.com>

E-mail : kothari@lw1.vsnl.net.in

Ph. No. (0512) 312171-74, Fax No. 91-0512-312058

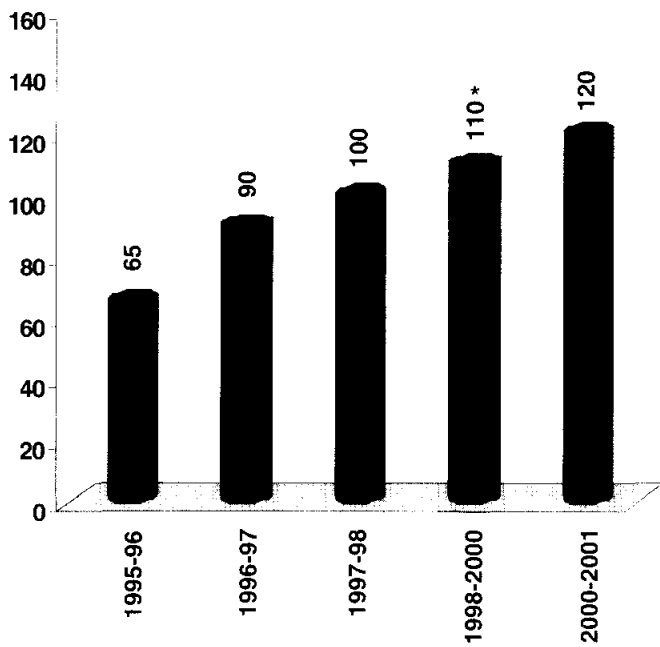


M.M. KOTHARI
Our Chairman



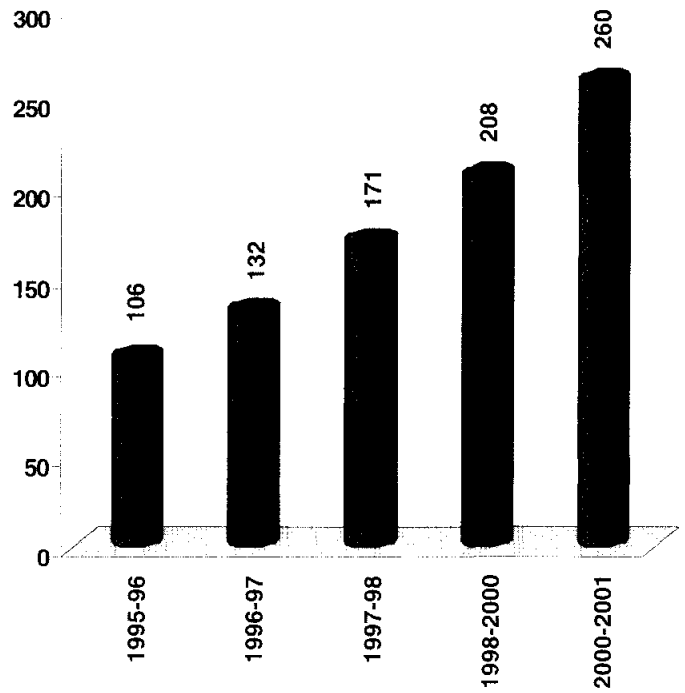
KOTHARI
PRODUCTS LIMITED

DIVIDEND (%)

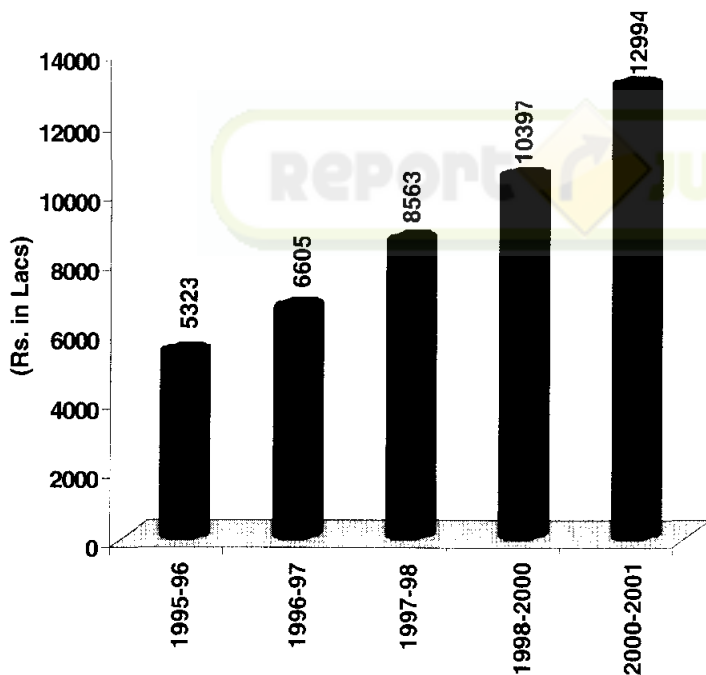


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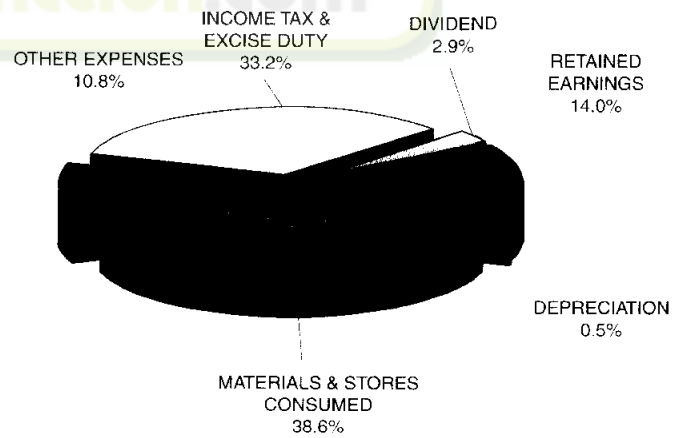
BOOK VALUE PER SHARE (RUPEES)



NET WORTH



SPLIT-UP OF INCOME 2000-2001





NOTICE :

Notice is hereby given that the **SEVENTEENTH ANNUAL GENERAL MEETING** of the Members of Kothari Products Limited, will be held on Tuesday, the 25th day of September, 2001 at **"Hotel Land Mark"**, 10, The Mall, Kanpur at 10.30 A.M., to transact the following business :-

ORDINARY BUSINESS :

- 1) To consider and adopt the Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- 2) To declare dividend for the financial year ended 31st March, 2001.
- 3) To appoint a Director in place of Shri Indra Kumar Bagri, who retires by rotation, and being eligible offers himself for re-appointment.
- 4) To appoint a Director in place of Shri O.N. Chaturvedi, who retires by rotation, and being eligible offers himself for re-appointment.
- 5) To re-appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Sections 255 & 257 of the Companies Act, 1956 and Article 88 of Articles of Association of the Company, Shri Mitesh Kothari, a Director appointed in casual vacancy caused by the resignation of Smt. Arti Kothari and who vacates office at this meeting under Section 262 of the Companies Act, 1956 but who is eligible for reappointment and in respect of whom the company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby reappointed as a Director, not liable to retire by rotation."

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the Act') including any statutory modification(s) or re-enactments thereof for the time being in force and in partial modification of the resolution passed by the Company at the 15th Annual General Meeting held on 23rd March, 1999, approval of the Company be and is hereby accorded to the revision in the terms of remuneration of Shri Deepak Kothari, Managing Director of the Company w.e.f. 1st April, 2001 for the remaining period of his tenure i.e. upto October 11th, 2003, as decided by the Board of Directors (hereinafter referred to as 'the Board') at its meeting held on 16th August, 2001 and as detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances and perquisites etc. in such manner as may be agreed to between the Board and Shri Deepak Kothari within and in accordance with and subject to the limits prescribed in Schedule XIII to the Act, and, if necessary, as may be stipulated by the Central Government and as may be agreed to accordingly between the Board and Shri Deepak Kothari.

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated, where in any financial year, during the currency of the term of Shri Deepak Kothari as Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary and perquisites etc., as specified in the explanatory statement, as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."



KOTHARI
PRODUCTS LIMITED

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the Act') including any statutory modification(s) or re-enactments thereof for the time being in force and in partial modification of the Special Resolution passed by the Company at the 16th Annual General Meeting held on 14th September, 2000, approval of the Company be and is hereby accorded to the revision in the terms of remuneration of Shri Mitesh Kothari, Executive Director of the Company w.e.f. 1st April, 2001 for the remaining period of his tenure i.e. upto March 31st, 2005, as decided by the Board of Directors (hereinafter referred to as 'the Board') at its meeting held on 16th August, 2001 and as detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances and perquisites etc. in such manner as may be agreed to between the Board and Shri Mitesh Kothari within and in accordance with and subject to the limits prescribed in Schedule XIII to the Act and if necessary, as may be stipulated by the Central Government and as may be agreed to accordingly between the Board and Shri Mitesh Kothari.

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated where in any financial year, during the currency of the term of Shri Mitesh Kothari as Executive Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary and perquisites etc., as specified in the explanatory statement, as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as 'the Act') including any statutory modification(s) or re-enactments thereof for the time being in force and in partial modification of the resolution passed by the Company at the 14th Annual General Meeting held on 25th March, 1998, approval of the Company be and is hereby accorded to the revision in the terms of remuneration of Shri M.M.Kothari, Chairman of the Company w.e.f. 1st April, 2001 for the remaining period of his tenure i.e. upto 30th September, 2002, as decided by the Board of Directors (hereinafter referred to as 'the Board') at its meeting held on 16th August, 2001 and as detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter, vary and modify the said terms including salary, allowances and perquisites etc. in such manner as may be agreed to between the Board and Shri M.M. Kothari within and in accordance with and subject to the limits prescribed in Schedule XIII to the Act and if necessary, as may be stipulated by the Central Government and as may be agreed to accordingly between the Board and Shri M.M. Kothari.

RESOLVED FURTHER THAT notwithstanding anything hereinabove stated where in any financial year, during the currency of the term of Shri M.M. Kothari as Chairman, the Company has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary and perquisites etc., as specified in the explanatory statement, as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such documents, writings and agreements as may be required for the purpose of giving effect to this resolution."

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modifications or re-enactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreements, and all other applicable laws, rules, regulations and guidelines and subject



to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the Company be and is hereby accorded to the Board to delist the Equity Shares of the Company from the Ahmedabad Stock Exchange, Calcutta Stock Exchange, Delhi Stock Exchange, Bombay Stock Exchange & Madras Stock Exchange.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary steps in this regard and to do, sign & execute all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable, to settle any question, difficulty or doubt that may arise in regard to aforesaid delisting of the Equity Shares, and for this purpose to delegate the authority and the duty vested in it by virtue hereof to the Managing Director or the Company Secretary to do the various acts, deeds and things required to be done in this behalf."

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactments thereof for the time being in force and subject to any approval, if necessary, the Articles of Association of the Company be and are hereby altered as follows :

(i) In the existing Article 1, the word 'Bonus' in the definition of the term 'Dividend' be substituted by the words 'Interim Dividend'.

(ii) After the existing Article 5, the following Article 5A be inserted :

Buy Back of Securities: Subject to and in full compliance of the requirements of Sections 77A, 77AA, 77B and any other applicable provisions of the Companies Act, 1956 or corresponding provisions of any re-enactment(s) thereof, the Company may, upon the recommendation of the Board, at any time buy back its own shares or securities.

(iii) In the existing Article 5(2), in eighteenth line the words 'Call or shares' be substituted by the words 'Call for shares'.

(iv) After the existing Article 6, the following Article 6A be inserted :

Sweat Equity Shares: The Company may, subject to the provisions of Section 79A of the Companies Act, 1956 and SEBI Guidelines in this behalf, issue Sweat Equity Shares of a class of shares already issued.

(v) The heading of existing Article 43 be substituted by the following heading :

Transmission of shares without Nomination being made :

(vi) The existing Article 46 be substituted by the following new Article :

Transmission of shares with Nomination already made: Transmission of shares, in respect of which nomination has been made under Section 109A of the Act, shall be governed by the provisions of Section 109B of the Act.

(vii) The existing Article 74 be substituted by the following Article :

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given :

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by



KOTHARI
PRODUCTS LIMITED

the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

(viii) The existing Article 75 be substituted by the following Article:

An instrument appointing a proxy shall be in either of the forms in Schedule IX to the Act or a form as near thereto as circumstances admit.

(ix) In the existing Article 88(4), in the second line the word 'Article 87' be substituted by the word 'Article 86'.

(x) In the existing Article 106, in second line, the (,) appearing after the word 'Directors' be substituted by the word 'and'.

(xi) In the heading of Article 126 the word 'for' be substituted by the word 'or' and the words '42 days' appearing in the 3rd & 5th line thereof be substituted by the words '30 days'.

(xii) The existing Article 127 be substituted by the following new Article :

Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the company to the Investor Education and Protection Fund (hereinafter referred to as 'The Fund') set up by the Central Government under Sec.205C of the Act for promotion of investors' awareness and protection of the interests of investors. No claim shall lie against the company in respect of such unpaid or unclaimed dividend amounts transferred to the fund.

(xiii) In the existing Article 128, in last line, the word 'during' be inserted after the word 'Directors'.

(xiv) In the heading of existing Article 132, the word 'through' be substituted by the word 'though'.

(xv) In the existing Article 140, in fourth line the words 'article 126' be substituted by the words 'Article 129'.

(xvi) After the existing Article 140 the following Article 140A be inserted :

That the directors, auditors, officers and employees of the Company shall observe secrecy and shall not reveal any of the matters which come to their knowledge in the discharge of their duties."

Regd. Off :

'PAN PARAG HOUSE'

24/19, THE MALL, KANPUR - 208 001

PLACE : KANPUR

DATE : 16th August, 2001

By Order of the Board
for **KOTHARI PRODUCTS LIMITED**

RAJ KUMAR GUPTA
Company Secretary