



KOTHARI
PRODUCTS LIMITED

Report Junction

23rd Annual Report
2006-2007

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M.M. KOTHARI
Our Chairman

**NOTICE :**

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Kothari Products Limited will be held on Friday, the 21st September, 2007 at "Little Chef", Civil Lines, Kanpur at 11.30 A.M., to transact the following business :-

ORDINARY BUSINESS :

- 1) To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2007 and the Profit & Loss Account for the financial year ended on that date and the Reports of the Directors' and Auditors' thereon.
- 2) To declare a dividend for the aforesaid financial year.
- 3) To appoint a Director in place of Dr.Avinash Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Sri Pramod Kumar Tandon, who retires by rotation and being eligible, offers himself for re-appointment.
- 5) To re-appoint M/s.Mehrotra & Mehrotra, Chartered Accountants, retiring Auditors, as Auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to section 198, 269 & 309 read with schedule XIII of the Companies Act, 1956 and all other applicable provisions, if any, of the said Act., including any statutory modification(s) or re-enactment thereof for the time being in force; the approval of the members of the Company be and is hereby granted to the re-appointment of Sri M.M.Kothari, Chairman (Executive), for a period of one year w.e.f.1st October, 2007, who shall be liable to retire by rotation, on terms & conditions as mentioned below :-

1. SALARY :

Rs.1,00,000/- P.M.

2. PERQUISITES :

Such perquisites listed below as may be mutually decided between the Board and Sri M.M.Kothari, shall be payable to him, subject to maximum of Annual salary.

CATEGORY – A**(i) HOUSING :**

- (a) The expenditure by the Company on hiring furnished accommodation for the Chairman will be subject to the ceiling of sixty percent of the salary, over and above ten percent payable by the Chairman; or
- (b) In case the accommodation owned by the Company is provided, ten percent of the salary of the Chairman shall be deducted by the Company ; or
- (c) In case no accommodation is provided by the Company, the Chairman shall be entitled to house rent allowance, subject to the ceiling laid down in clause (a) herein above.

Explanation :

The expenditure by the Company on gas, electricity, water & furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the CHAIRMAN.

(i) MEDICAL REIMBURSEMENT :

Expenses incurred in India or abroad for Medical treatment of self & his family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

(ii) LEAVE TRAVEL CONCESSION :

Leave travel concession for self and his family once in a year to and from any place in India or abroad subject to the condition that only actual fare shall be reimbursed.

(iii) CLUB FEES :

Fees in respect of two clubs to be borne by the Company but not the admission or life membership fees payable to the clubs.



(iv) PERSONAL ACCIDENT INSURANCE :

Accident Insurance for an amount the premium for which shall not exceed Rs.4,000/- per annum.

Explanation :

For the purpose of category - 'A', 'family' means the spouse, dependent children and dependent parents of the CHAIRMAN.

CATEGORY - B

(i) PROVIDENT FUND :

The Company's contribution to Provident Fund, as per rules of the Company, subject to a ceiling of 12% of the salary. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income-tax Act, 1961.

(ii) BONUS :

Payable as per Company Rules.

(iii) GRATUITY :

Gratuity not exceeding one-half month's salary for each completed year of service, subject to a ceiling of Rs. 1,00,000/-.

CATEGORY - C

(i) MOTOR CAR :

Free use of Car with driver for the Company's business, all the expenditure in connection therewith to be borne by the Company.

(ii) TELEPHONE :

Free telephone and fax facility at the residence.

Explanation :

Provisions of Car for use on the Company's business and telephone and fax at residence would not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose would be billed to the Chairman by the Company and reimbursed by him to Company.

OTHER ITEMS

(i) EARNED LEAVE :

One month's leave with full pay and allowance for every completed eleven months of service. However, leave accumulated and not availed of during his tennure as Chairman may be allowed to be encashed at the time of retirement as per the rules of the Company. Encashment of leave at the end of the tennure will not be included in the computation of the ceiling on perquisites.

(ii) REIMBURSEMENT OF EXPENSES :

Reimbursement of travelling, entertainment and other expenses incurred by him during the course of the business of the Company.

(iii) SITTING FEES :

He is not entitled to sitting fees for attending Meetings of the Board or of a Committee thereof.

(iv) TERMINATION CLAUSE :

The appointment shall be terminable by the Company giving to the Chairman a notice of three months of such termination or on payment of three months salary in lieu thereof and by the Chairman by notice of three months to the Company.

3. COMMISSION :

In addition to the above salary and perquisites, commission @ 2% of Net profits of the Company in a particular financial year, will be payable annually.

OTHER CONDITIONS

(a) For all other terms and conditions not specifically spelt out above, the Rules and Orders of the Company shall apply.

"RESOLVED FURTHER THAT where during the currency of tenure of the Chairman, the Company has no profits or its



profits are inadequate in any financial year, the Chairman shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified above subject to Schedule XIII, as minimum remuneration.”

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

“RESOLVED THAT pursuant to section 198, 269 & 309 read with schedule XIII of the Companies Act, 1956 and all other applicable provisions, if any, of the said Act., including any statutory modification(s) or re-enactment thereof for the time being in force; the approval of the members of the Company be and is hereby granted to the re-appointment of Sri Mitesh Kothari, Executive Director (Production), for a period of one year w.e.f.1st October, 2007, who shall not be liable to retire by rotation, on terms & conditions as mentioned below:-

1. SALARY :

Rs.75,000/- P.M.

2. PERQUISITES :

Such perquisites listed below as may be mutually decided between the Board and Sri Mitesh Kothari, shall be payable to him, subject to maximum of Annual salary.

CATEGORY – A

(i) HOUSING :

(a) The expenditure by the Company on hiring furnished accommodation for the Executive Director (Production) will be subject to the ceiling of sixty percent of the salary, over and above ten percent payable by the Executive Director (Production); or

(b) In case the accommodation owned by the Company is provided, ten percent of the salary of the Executive Director (Production) shall be deducted by the Company; or

(c) In case no accommodation is provided by the Company, the Executive Director (Production) shall be entitled to house rent allowance, subject to the ceiling laid down in clause (a) herein above.

Explanation :

The expenditure by the Company on gas, electricity, water & furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the Executive Director (Production).

(ii) MEDICAL REIMBURSEMENT :

Expenses incurred in India or abroad for Medical treatment of self & his family, subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

(iii) LEAVE TRAVEL CONCESSION :

Leave travel concession for self and his family once in a year to and from any place in India or abroad subject to the condition that only actual fare shall be reimbursed.

(iv) CLUB FEES :

Fees in respect of two clubs to be borne by the Company but not the admission or life membership fees payable to the clubs.

(v) PERSONAL ACCIDENT INSURANCE :

Accident Insurance for an amount the premium for which shall not exceed Rs.4,000/- per annum.

Explanation :

For the purpose of category - 'A', 'family' means the spouse, dependent children and dependent parents of the Executive Director (Production).

CATEGORY – B

(i) PROVIDENT FUND :

The Company's contribution to Provident Fund, as per rules of the Company, subject to a ceiling of 12% of the salary. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income-tax Act, 1961.

(ii) BONUS :

Payable as per Company Rules.

(iii) GRATUITY :

Gratuity not exceeding one-half month's salary for each completed year of service, subject to a ceiling of Rs. 1,00,000/-.


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CATEGORY – C
(i) MOTOR CAR :

Free use of Car with driver for the Company's business, all the expenditure in connection therewith to be borne by the Company.

(ii) TELEPHONE :

Free telephone and fax facility at the residence.

Explanation :

Provisions of Car for use on the Company's business and telephone and fax at residence would not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose would be billed to the Executive Director (Production) by the Company and reimbursed by him to Company.

OTHER ITEMS
(i) EARNED LEAVE :

One month's leave with full pay and allowance for every completed eleven months of service. However, leave accumulated and not availed of during his tennure as Executive Director (Production) may be allowed to be encashed at the time of retirement as per the rules of the Company. Encashment of leave at the end of the tennure will not be included in the computation of the ceiling on perquisites.

(ii) REIMBURSEMENT OF EXPENSES :

Reimbursement of travelling, entertainment and other expenses incurred by him during the course of the business of the Company.

(iii) SITTING FEES :

He is not entitled to sitting fees for attending Meetings of the Board or of a Committee thereof.

(iv) TERMINATION CLAUSE :

The appointment shall be terminable by the Company giving to the Executive Director (Production) a notice of three months of such termination or on payment of three months salary in lieu thereof and by the Chairman by notice of three months to the Company.

3. COMMISSION :

In addition to the above salary and perquisites, commission @ 2% of Net profits of the Company in a particular financial year, will be payable annually.

OTHER CONDITIONS

(a) For all other terms and conditions not specifically spelt out above, the Rules and Orders of the Company shall apply.

“RESOLVED FURTHER THAT where during the currency of tenure of the Executive Director (Production), the Company has no profits or its profits are inadequate in any financial year, the Executive Director (Production) shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified above subject to Schedule XIII, as minimum remuneration.”

8) To take note of the following Special Resolution, passed on 18th June, 2007 through Postal Ballot process :-

“RESOLVED THAT the consent of the Company be and is hereby accorded to the commencement of the businesses by the Company as given in sub clause Nos.20 & 21 of clause C of the Memorandum of Association of the Company namely :-

“To carry on all or any of the business of constructional engineers, architects, builders, contractors, decorators, electricians, woodworkers and paviours and to acquire, develop, buy, sell real estate, multistoried or other buildings and group housing schemes.” and

“To purchase, sell, develop, take in exchange, or on lease, hire or otherwise acquire, whether for investment or sale, or working the same, any real or personal estate including land, mines, business, buildings, factories, mills, houses, cottages, shops, depots, warehouses, machinery, plants, stock in trade, mineral rights, concessions, privileges, licences, easement or interest in or with respect to such property in such property in consideration for a gross sum or rent or partly in one way and partly in the other for any other consideration.” and