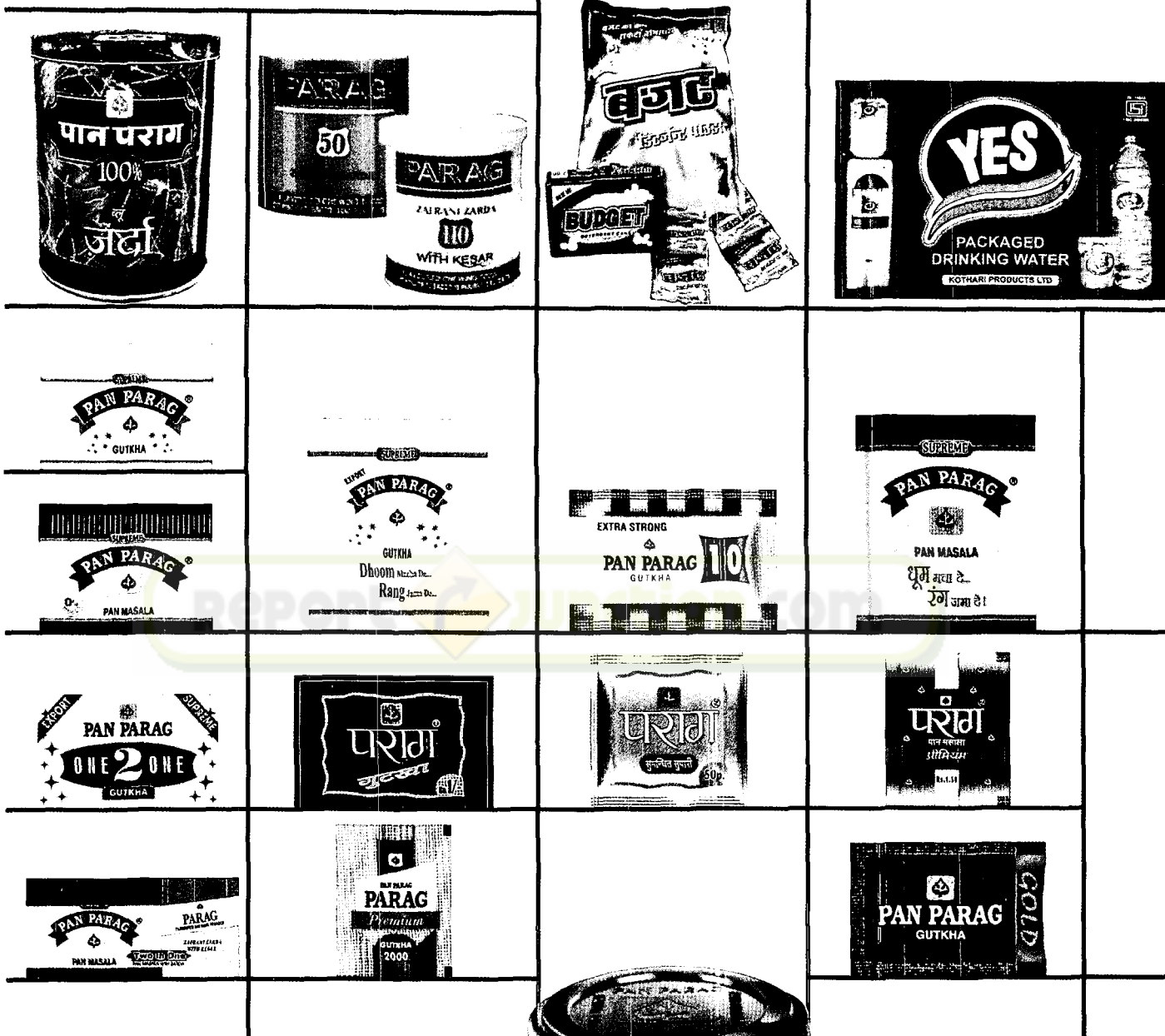




KOTHARI
PRODUCTS LIMITED



For people with a Royal Taste...





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BOARD OF DIRECTORS

Chairman

M.M. KOTHARI

Managing Director

DEEPAK KOTHARI

Executive Director

MITESH KOTHARI

Directors

VIKAS CHATURVEDI

DR. AVINASH GUPTA

PRAMOD KUMAR TANDON

Company Secretary

RAJ KUMAR GUPTA

AUDITORS

MEHROTRA & MEHROTRA

Chartered Accountants

16/49, Civil Lines

Kanpur - 208 001

REGISTERED OFFICE & SECRETARIAL DEPARTMENT

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

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

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Ph. Nos. (0512) 2312171-74, Fax No. (0512) 2312058

INVESTORS' GRIEVANCE E-MAIL ID

E-mail : rkgupta@panparag.com

AUDIT COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DEEPAK KOTHARI

DR. AVINASH GUPTA

VIKAS CHATURVEDI

SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

DEEPAK KOTHARI

MITESH KOTHARI

DR. AVINASH GUPTA

REMUNERATION COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

VIKAS CHATURVEDI

DR. AVINASH GUPTA



M.M. KOTHARI
Our Chairman

**NOTICE :**

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Kothari Products Limited, will be held on Thursday, the 18th September, 2008 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, 2008 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 Sri M.M.Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Sri Vikas Chaturvedi, 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, 2008, who shall be liable to retire by rotation, on terms & conditions as mentioned below :-

A. SALARY :

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

B. 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.

(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 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. 3,50,000/-.

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 tenure 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 tenure 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.

C. 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

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 sections 198, 269, 309, 310, 311 and 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(s) 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 Deepak Kothari, as Managing Director of the Company for a period of five years w.e.f. 12th October, 2008, who shall not be liable to retire by rotation, on following terms & conditions :-

A. SALARY :

Rs.90,000/- P.M.

B. PERQUISITES :

Such perquisites listed below as may be mutually decided between the Board and Sri Deepak 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 Managing Director will be subject to the ceiling of sixty percent of the salary, over and above ten percent payable by the Managing Director ; or

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

(c) In case no accommodation is provided by the Company, the Managing Director 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 Managing Director.

(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 Managing Director.

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. 3,50,000/-.

CATEGORY - C

(i) MOTOR CAR :

Free use of Car with driver for the Company's business, all the expenditure in connection there with 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 Managing Director 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 tenure as Managing Director 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 tenure 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 Managing Director a notice of three months of such termination or on payment of three months salary in lieu thereof and by the Managing Director by notice of three months to the Company.

C. 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

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 Managing Director, the Company has no profits or its profits are inadequate in any financial year, the Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified above, as minimum remuneration.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do & sign all such acts, deeds, matters & things as may be considered necessary, usual or expedient to give effect to the above resolution."

8) 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 five years w.e.f. 1st October, 2008, who shall not be liable to retire by rotation, on terms & conditions as mentioned below:-

A. SALARY :

Rs.75,000/- P.M.

B. 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. 3,50,000/-.

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 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 tenure as Executive Director (Production) may be allowed to be encashed at the time of