



**KOTHARI**  
PRODUCTS LIMITED

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## Cautionary Statement

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



## BOARD OF DIRECTORS

### *Chairman & Managing Director*

DEEPAK KOTHARI

### *Executive Director*

MITESH KOTHARI

### *Directors*

DR. AVINASH GUPTA  
PRAMOD KUMAR TANDON  
VIKAS CHATURVEDI

### *Company Secretary*

RAJ KUMAR GUPTA

## AUDITORS

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

## REGISTERED OFFICE & SECRETARIAL DEPARTMENT

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

## INVESTORS' GRIEVANCE E-MAIL ID

[rkgupta@kothariproducts.in](mailto:rkgupta@kothariproducts.in)

## AUDIT COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DEEPAK KOTHARI  
DR. AVINASH GUPTA  
VIKAS CHATURVEDI

## SHAREOWNERS'/INVESTORS' GRIEVANCE COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DEEPAK KOTHARI  
MITESH KOTHARI  
DR. AVINASH GUPTA

## REMUNERATION COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DR. AVINASH GUPTA  
VIKAS CHATURVEDI



**M.M. KOTHARI**  
**Our Founder Chairman**

## CHAIRMAN'S LETTER TO SHAREOWNERS

Dear Fellow Shareowners,

I am pleased to share with you that we have been able to maintain our performance in spite of the prevailing uncertainties in the global economy. Many countries of the globe are witnessing lower phase of growth and slow down.

In this constantly changing world, we remain focused on revenue growth with a view to maximise profits and in the last completed fiscal year covered by this annual report, although we achieved handsome growth in net sales but in view of very volatile Forex market, thin margins and slow down, our profits were not corresponding to the increase in sales volume. Directors therefore, took a conservative view in proposing the dividend for the year covered by this report..



All our efforts are directed towards identifying emerging opportunities in the market place to sustain our growth in the future. I believe Diversification is the key in this uncertain present business scenario. I am pleased to state that in our constant endeavor of seizing business opportunities, we have recently acquired substantial stake in a mid size manufacturing Company engaged in the activity of Aluminium ingots and related products.

Government successfully tamed the spiraling double digit inflation and it has recently moderated to some extent. RBI has taken some steps to ease down the Interest rates but industry will welcome more stimulants to make credit more readily available and at cheaper rates.



The energy in our TEAM and high commitment in our employees give us the confidence that we are on our way to building a strong and sustainable business.

I am quite hopeful that the present sluggish business environment all around is a temporary aberration and expect stability in the later half of this fiscal year.

I would like to thank all our stake holders i.e. shareowners, partners, lenders and committed employees for their continued trust and support in the Company.

With warm regards,

A handwritten signature in green ink, appearing to read 'Deepak Kothari', with a large circular flourish at the beginning.

Deepak Kothari  
Chairman and Managing Director  
Dated : 29<sup>th</sup> May, 2012



## NOTICE :

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Kothari Products Limited will be held on Friday, the 21<sup>st</sup> September, 2012 at "Royal Cliff", 113/72, Swaroop Nagar, Opposite Motijheel Gate No.1, Kanpur at 11:30 A.M., to transact the following business:-

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2012 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 dividend for the aforesaid financial year.
3. To appoint a Director in place of Sri Pramod Kumar Tandon, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Mehrotra & Mehrotra, Chartered Accountants, retiring Auditors, as Auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

### SPECIAL BUSINESS:

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed in 27<sup>th</sup> AGM of the Company held on 23<sup>rd</sup> September, 2011 the consent of the Company be and is hereby accorded under section 293(1)(a) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), to the Board of Directors (hereinafter referred to as "the Board") to mortgage and/or charge, in addition to the mortgage(s)/charge(s) created/to be created by the Company, in such form and manner and with such ranking and at such time and on such terms and conditions as the Board may determine, subject to maximum amount of Rs.2000 Crores of charges outstanding at any time, on all or any of the movable and/or immovable property(ies) of the company, both present and future of every nature & kind whatsoever together with the powers to take over the management of the business and concern of the Company, in certain events of defaults, in favour of lenders for securing the borrowing availed/to be availed by the Company by way of loans and securities issued by the Company together with interest at the respective agreed rates, additional interest, all other costs, charges and expenses and all other monies payable by the Company in respect of said loans/borrowings/debentures/other securities and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between Board of Directors and the Lender(s)/Agent(s) and Trustee(s)".

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

6. **To take note of the following Special Resolution passed on 9th March, 2012 through Postal Ballot Process:**

"RESOLVED THAT in supersession of the Special Resolution passed at the 19<sup>th</sup> Annual General Meeting of the Company held on 29.12.2003 to the extent same has not been acted upon and pursuant to the provisions of Section 372A of the Companies Act, 1956, as amended till date, read with The Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, other applicable provisions, if, any, of the Companies Act, 1956 and subject to



such approvals ,consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the Board) for making investments of the surplus funds of the Company in the Shares of Companies specified in BSE 500 Index, Units of Mutual Funds registered with SEBI and also Mutual Funds of Nationalised/Scheduled Banks/Foreign Banks and/or UTI or any other Corporate Bodies formed under the Act of Parliament, making Loan , giving any guarantee, or providing security, in connection with a loan made by any other person to, or to any other person by, any body corporate being its Subsidiaries as defined in Companies Act, 1956 and /or Associate/ Joint venture Companies, related parties as contemplated in Accounting standards, as may be applicable from time to time in excess of 60% of the paid-up share capital and free reserves of the company or 100% of the free reserves of the Company whichever is more, subject to maximum of Rs.1250 Crores outstanding at any one point of time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take from time to time, all decisions and steps in respect of the aforesaid Loan/Investment/Guarantee/Security including its timings, amount and such other terms and conditions as applicable, and to vary/modify any such terms and conditions including availing of the same in one or more tranches, as and when they deem fit and proper, in the interest of the company and to do and perform all such acts, deeds, matters and things, as well as to sign and execute such papers, documents, deeds and instruments as may be deemed necessary for the purpose of the aforesaid and to exercise all rights and powers which would vest in the company in this regard."

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

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

DATE : 29<sup>th</sup> May, 2012

**Sd/-**  
**(RAJ KUMAR GUPTA)**  
**CS & Compliance Officer**



**NOTES :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective should be completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members of the Company shall remain closed from Friday, the 14<sup>th</sup> September, 2012 to Friday, 21<sup>st</sup> September, 2012 (both days inclusive).
4. The Dividend for the year ended 31<sup>st</sup> March, 2012 as recommended by the Board, if approved by the members, will be paid to the physical members whose names appear in the Company's Register of Members on 13<sup>th</sup> September, 2012. In respect of shares held in electronic form, the dividend will be payable on the basis of their beneficial ownership as at the end of aforesaid date as per details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
5. THE MEMBERS HOLDING PHYSICAL SHARES ARE, IN THEIR OWN INTEREST, ADVISED TO SEND IMMEDIATELY REQUESTS FOR CHANGE OF ADDRESS AND BANK PARTICULARS, IF ANY, TO OUR REGISTRAR i.e. ALANKIT ASSIGNMENTS LTD., CORPORATE OFFICE, "ALANKIT HOUSE", 2E/21, JHANDEWALAN EXTENSION, NEW DELHI – 110 055, PHONE NOS. (011) 23541234 / 42541234 & FAX NOS. (011) 42541967 / 23552001. HOWEVER, THE MEMBERS HOLDING DEMAT SHARES ARE ADVISED TO IMMEDIATELY INTIMATE THE CHANGE OF ADDRESS AND BANK DETAILS TO THEIR CONCERNED DEPOSITORY PARTICIPANTS.
6. Those Members who have not encashed/received their Dividend warrants for the financial years 2004-05 onwards may approach the Secretarial Department at the Registered Office of the Company for revalidation of Dividend Warrants or for obtaining duplicate Dividend Warrants in lieu of the lost warrants.
7. Members are hereby also informed that Dividends which remain unclaimed/unencashed for a period of 7 years, from the date of transfer to the unpaid Dividend Accounts, have to be transferred by the Company u/s 205A to the Investors Education & Protection Fund (IEPF) constituted by the Central Government u/s 205C of the Companies Act, 1956. Further, under the amended provisions of Sec.205B of the Companies Act, 1956, no claim shall lie for the unclaimed Dividend from IEPF by the shareowners.  
  
The unpaid Dividend amount relating to the Financial Years 1995-96, 1996-97, 1997-98, 1998-2000 (Interim), 1998-2000 (Final), 2000-2001, 2001-2002, 2002-2003 & 2003-2004 have been transferred to the aforesaid Investor Education & Protection Fund.  
  
MEMBERS ARE AGAIN ADVISED TO NOTE THAT THE UNPAID DIVIDEND AMOUNT RELATING TO FINANCIAL YEAR 2004-05 WILL BE TRANSFERRED TO THE INVESTOR EDUCATION & PROTECTION FUND, AS PER THE PROVISIONS OF SEC.205A (5) OF THE COMPANIES ACT, 1956 IN OCTOBER, 2012. FURTHER, NO CLAIM SHALL LIE, IN RESPECT OF THE AFORESAID DIVIDEND TRANSFERRED TO THE FUND, EITHER AGAINST THE COMPANY/ITS OFFICERS OR AGAINST THE GOVERNMENT.
8. Members desirous of getting any information at the meeting about the accounts and operations of the company are requested to send their query at the Registered office well in advance so that the same may reach the office at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
9. Section 109A of the Companies Act, 1956 has extended nomination facility to individuals holding shares in Companies. Shareowners, in particular, those holding shares as sole holder are advised to avail of the above facility in their own interest, by furnishing to the Company the particulars of their nominations. The prescribed application form may be obtained by the shareowners from the Company's Secretarial Department at its Registered Office.



10. Members are requested to bring their copies of Annual Report at the meeting. Please note that no gifts will be distributed at the meeting.
11. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with our Registrar, Alankit Assignments Ltd., "Alankit House", 2E/21 Jhandewalan Extension, New Delhi – 110 055.

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

### **ITEM NO.5**

In the 27<sup>th</sup> AGM held on 23<sup>rd</sup> September, 2011 the Company had authorized Board of Directors to create charges/ mortgages in respect of the borrowings exercised subject to a maximum Rs.1250 Crores.

In order to meet the enhanced fund/Non-fund based requirements for the diversified business operations the Company needs to borrow frequently from Banks by way of various credit facilities. The borrowings by the Company, in general, are required to be secured by mortgage or charge on all or any of the movable and/or immovable property (ies) of the Company in such form, manner and ranking as may be determined by the concerned Banks. The Board of Directors of the Company has therefore decided to increase the aforesaid limit of Rs.1250 Crores to Rs.2000 Crores.

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

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

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

### **ITEM NO. 6**

As you are aware that the Company had sent you Postal Ballot notice dated 11<sup>th</sup> January, 2012 in respect of Special Resolution mentioned at Item No. 6 of this Notice which had been passed on 9<sup>th</sup> March, 2012 in terms of the scrutinizer's report dated 7<sup>th</sup> March, 2012 as per the provisions of the Companies Act, 1956 and The Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. However as per the results of the Postal Ballot declared by the Chairman & Managing Director of the Company, the aforesaid Special Resolution is required to be noted in the ensuing Annual General Meeting. Hence, the present item No. 6 of the notice.

None of the Directors of the Company are concerned or interested in the Special Resolution.

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

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

**Sd/-  
(RAJ KUMAR GUPTA)  
CS & Compliance Officer**

DATE : 29th May, 2012