

“29th

annual report

2012-2013”



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

INVESTORS' GRIEVANCE E-MAIL ID

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 Message

Dear Fellow Shareowners,

Expectedly, last fiscal witnessed unacceptable levels of Current Account Deficits, high prices of crude in international markets, continued uncertainty in many developed economies resulting in slower global growth. The International Business environment remained difficult and challenging.

In the Indian context, a good monsoon together with some serious steps taken by

the Government and RBI to stem the widening of CAD and to stabilize the Forex scenario, will boost the overall business sentiments and lead to a spurt in the economic growth of the country.

This phase of general sluggish economic scenario gave us opportunities of de-risking / re-configure our businesses through strategic spread. In the process, weeding out under / non performing ventures for better future growth which has yielded fruitful results.

Despite these constraints, your Company performed reasonably well and I am happy to share with you that yet again we have registered an impressive growth in our sales volumes in the International Trade during the last completed fiscal covered by this Annual Report, whereas the Real estate sector remained stagnant. Despite higher borrowing costs and volatile Forex market which strained our profits, we still witnessed its significant growth. Therefore, Directors of your company propose higher dividend for the year covered under this report to show gratitude towards the confidence and unstinting support of you all, which I cherish.

India has the right ingredients – a young, large and vibrant demography, somewhat acceptable level of inflation, growing educated work force and sustained consumer spends for a brighter long term future.

We believe in philanthropy through spread of quality education in the society. Quality of education will not improve without quality teaching staff, therefore, our group constantly strives for improving the standards of teaching staff in our schools at NOIDA and PUNE.

Unrelenting efforts of our TEAM and highest standards of commitments by our employees assure us of a brighter and rewarding future.

Let me conclude by once again thanking all our employees, fellow share owners, business partners with whose support and wishes, we are sure to perform still better in the years to come.

With best wishes

Yours truly



Deepak Kothari

Place : Kanpur

Dated : 25th July, 2013

NOTICE :

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of Kothari Products Limited will be held on Friday, the 13th September, 2013 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 31st March, 2013 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 Vikas Chaturvedi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri Mitesh Kothari, 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 sections 198, 269, 309, 310 & 311 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(s) thereof for the time being in force; Sri Deepak Kothari, be and is hereby re-appointed as Chairman & Managing Director of the Company for a period of three years w.e.f. 12th October, 2013, 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 Chairman & Managing Director will be subject to the ceiling of sixty percent of the salary, over and above ten percent payable by the Chairman & 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 Chairman & 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 Chairman & 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 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 & 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 Chairman & 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 Chairman & Managing Director by notice of three months to the Company.

C. COMMISSION :

In addition to the above salary and perquisites, commission @ 3% 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 & Managing Director, the Company has no profits or its profits are inadequate in any financial year, the Chairman & Managing Director shall be entitled to remuneration by way of salary and perquisites not exceeding the limits specified above subject to Schedule XIII, as minimum remuneration.

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

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

“RESOLVED THAT pursuant to sections 198, 269, 309 & 310 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, Sri Mitesh Kothari, be and is hereby re-appointed as Executive Director of the Company, for a period of three years w.e.f.1st October, 2013, who shall 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 will be subject to the ceiling of sixty percent of the salary, over and above ten percent payable by the Executive Director; or
- (b) In case the accommodation owned by the Company is provided, ten percent of the salary of the Executive Director shall be deducted by the Company ; or

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

Explanation :

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(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.

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.

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Payable as per Company Rules.

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Explanation :

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