



# 30<sup>th</sup> annual report 2013-2014



**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

### *Chief Financial Officer*

ANURAG TANDON

## 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.kothariproductions.in>  
E - mail : [info@kothariproductions.in](mailto:info@kothariproductions.in)  
Ph. Nos. (0512) 2312171 - 74, Fax No. (0512) 2312058

## INVESTORS' GRIEVANCE E-MAIL ID

[rk Gupta@kothariproductions.in](mailto:rk Gupta@kothariproductions.in)

## AUDIT COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DEEPAK KOTHARI  
DR. AVINASH GUPTA  
VIKAS CHATURVEDI

## STAKEHOLDERS RELATIONSHIP COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DEEPAK KOTHARI  
MITESH KOTHARI  
DR. AVINASH GUPTA

## NOMINATION & REMUNERATION COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DR.AVINASH GUPTA  
VIKAS CHATURVEDI

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### *Chairman*

PRAMOD KUMAR TANDON

### *Members*

DEEPAK KOTHARI  
DR. AVINASH GUPTA





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



## Chairman's Message



Dear Fellow Shareowners,

The last fiscal was a mixed bag of opportunities and challenges generally for the world economic environment, particularly for India and especially for your Company. While India remains one of the fastest growing major economies in the World, the slow down in economic growth in the last two years was the cause of concern.

Last year, I shared my views on the challenging International Business environment in view of un-acceptable levels of current account deficits

and high prices of crude in the International Market adversely affecting the Indian Economy. Lately following a series of measures taken by RBI and the Government, the rupee strengthened from its record lows and has been comparatively stable in the recent months and the CAD has narrowed down to some extent due to increased forex inflows.

A stable Government at the Centre has given an impetus resulting in more clarity in the policies. The Indian Economy is on the path of gradual recovery with consumer sentiments showing signs of improvement in all major markets. The infrastructure sector is now looking up and demand is expected to come back to the market, which are positive signs in the Real Estate Sector as well. However, continued high levels of inflation and global geopolitical risks are causes of concern.

Its' our constant endeavor to maximize the returns to all share owners, a testimony of the same is evident from the record declaration of dividend of last years. I am of the firm view that all the share owners are important to us for the confidence they reposed in us for so long with the expectation of best reward. This fiscal, it was time to acknowledge the same and I am happy to share that the long cherished expectation of declaration of Bonus Shares was fulfilled.



Although, the sales volumes registered an impressive growth, volatile Forex situation affected our expected profits. We are in the process of strengthening our core areas to continue to generate more share owners' value.

We are striving hard towards our commitment of contributing to improving education in our society and our group is aware and making best efforts in alleviating poverty of all the communities through imparting quality education.

All of this has been possible with the unrelenting efforts of our TEAM and constant support of all the stake holders. I would like to express my deep gratitude to all the stake holders in our this 'Endeavour'.

With best wishes

Yours truly



**Deepak Kothari**

Place : Kanpur

Dated : 7th July, 2014



## NOTICE :

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Kothari Products Limited will be held on Friday, the 19th September, 2014 at Hotel Vijay Intercontinental, 10/510, Khalasi Line, Tilak Nagar, Near Rave-3, Kanpur at 11:30 A.M., to transact the following businesses:-

### ORDINARY BUSINESS :

1. To consider and adopt the Audited Standalone & Consolidated Balance Sheets of the Company as at 31st March, 2014 and the Profit & Loss Accounts 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 Mitesh Kothari (DIN: 00089076), 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 pursuant to the provisions of Section 152 of the Companies Act, 2013, Smt. Arti Kothari (DIN: 00089139) be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("The Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with schedule IV to the Act, Sri Pramod Kumar Tandon (DIN: 00089344) a Non Executive Director of the Company, who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under section 160 of the Act who has given a declaration of independence under Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years w.e.f. 19th September, 2014 to 18th September, 2019 and shall not be 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 pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("The Act") and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with schedule IV to the Act, Dr. Avinash Gupta (DIN: 00089371) a Non Executive Director of the Company, who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing under section 160 of the Act who has given a declaration of independence under Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years w.e.f. 19th September, 2014 to 18th September, 2019 and shall not be liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions, if any, of the Companies Act, 2013 ("The Act") and the Rules framed thereunder (including any statutory modification(s)



or re-enactment thereof, for the time being in force) read with schedule IV to the Act, Sri Vikas Chaturvedi (DIN: 00089394) a Non Executive Director of the Company, who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a Notice in writing under section 160 of the Act who has given a declaration of independence under Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a term of five consecutive years w.e.f. 19th September, 2014 to 18th September, 2019 and shall not be liable to retire by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions, if any, of the Companies Act, 2013, approval of the shareholders be and is hereby accorded to the Company to amend the Articles of Association of the Company in the following manner:-

To insert the following in place of Article 2 :

#The regulations contained in Table F of Schedule I of the Companies Act, 2013, shall apply to the Company in so far as they are not inconsistent with or repugnant to any of the regulations contained in the Articles of the Association of the Company #.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

Regd. Off :  
'PAN PARAG HOUSE'  
24/19, THE MALL  
KANPUR – 208 001  
CIN: L16008UP1983PLC006254

DATE : 22nd May, 2014

**By Order of the Board  
for KOTHARI PRODUCTS LTD.**

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 BUT ONE PERSON CAN REPRESENT AS PROXY FOR NOT MORE THAN 50 MEMBERS AND FOR MEMBERS HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
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 12th September, 2014 to Friday, 19th September, 2014 (both days inclusive).
4. The Dividend for the year ended 31st March, 2014 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 11th September, 2014. 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.

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 HEIGHTS", 1E/13 JHANDEWALAN EXTENSION, NEW DELHI – 110 055, PHONE NOS. (011) 23541234 & 42541234 & FAX NO. (011) 41543474. HOWEVER, THE MEMBERS HOLDING DEMAT SHARES ARE ADVISED TO IMMEDIATELY INTIMATE THE CHANGE OF ADDRESS AND BANK DETAILS TO THEIR CONCERNED DEPOSITORY PARTICIPANTS.

5. Those Members who have not encashed/received their Dividend warrants for the financial years 2006-07 onwards may approach immediately 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. Pursuant to the Provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company ([www.kothariproducs.in](http://www.kothariproducs.in)).
6. 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, 2004-2005 & 2005-2006 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 2006-07 WILL BE TRANSFERRED TO THE INVESTOR EDUCATION & PROTECTION FUND, AS PER THE PROVISIONS OF SEC. 205A (5) OF THE COMPANIES ACT, 1956 IN OCTOBER, 2014. 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.

7. 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.

8. Section 72 of the Companies Act, 2013 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.
9. Members are requested to bring their copies of Annual Report at the meeting. Please note that no gifts will be distributed at the meeting.
10. 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 notices/documents including Annual Reports 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 Heights", 1E/13 Jhandewalan Extension, New Delhi – 110 055.
11. The statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
12. In Compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of The Companies (Management and Administration) Rules, 2014 alongwith clause 35B of the Listing Agreement, the members have been provided with the facility to cast their votes electronically through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The e-voting period commences on Saturday, 13th September, 2014 (9:00 A.M. IST) to Monday, 15th September, 2014 (6:00 P.M. IST). During this period, members of the Company holding shares either in physical form or in dematerialised form, as on 8<sup>th</sup> August, 2014 (being the cut-off date fixed by the Company for e-voting), may cast their votes electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a member, he shall not be allowed to change it subsequently. A Physical Ballot form is also being sent to the members alongwith the Annual Report. Members have option to vote either through e-voting or through the Physical Ballot form. If a member has opted for e-voting then he/she should not vote by Physical Ballot and also vice versa. However, in case members cast their votes both via Physical Ballot and e-voting then voting through e-voting shall prevail and voting done by physical ballot shall be treated as invalid.
13. The Company has appointed Sri Adesh Tandon, a Practising Company Secretary of Kanpur as Scrutinizer to receive and scrutinize the completed physical ballot forms and votes cast electronically by the members. The results declared alongwith the Scrutinizer's report shall be placed on the Company's website [www.kothariproducs.in](http://www.kothariproducs.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of passing the resolutions at the Thirtieth Annual General Meeting of the Company on September 19, 2014 and communicated to the UP Stock Exchange Association Ltd., Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited, where the shares of the Company are listed.
14. Pursuant to clause 49 of the Listing Agreement, particulars of Directors seeking appointment/re-appointment at this meeting are provided in the Corporate Governance Report forming part of the Annual Report.
15. The Securities & Exchange Board of India has notified that the shareholders/transferee of shares (including Joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including transfer, transmission or any other Corporate Action. Accordingly, all the physical shareholders/transferee of shares (including Joint holders) are requested to furnish a certified copy of their PAN Card to the Company/RTA while transacting in the securities market including transfer, transmission or any other Corporate Action.