



35th annual report 2018-19

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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

POONAM ACHARYA

CS & Compliance Officer

RAJ KUMAR GUPTA

Chief Financial Officer

ANURAG TANDON

AUDITORS

RAJIV MEHROTRA & ASSOCIATES

Chartered Accountants

3/3-A, Vishnupuri,
Kanpur - 208 002.

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, kothari@kothariproducts.in

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

INVESTORS' GRIEVANCE E-MAIL ID

rk Gupta@kothariproducts.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

RISK MANAGEMENT COMMITTEE

Chairman

PRAMOD KUMAR TANDON

Members

VIKAS CHATURVEDI

DR. AVINASH GUPTA

DEEPAK KOTHARI

II ALIVE IN OUR MEMORIES FOREVER II



KARMA YOGI M. M. KOTHARI
Our Founder Chairman
(25th July 1925 – 27th November 2015)

“The soul never takes birth and never dies at any time nor does it come into being again when the body is created. The soul is birth less, eternal, imperishable and timeless and is never destroyed when the body is destroyed.”



Chairman's Message

Dear Fellow Share Owners,

I always feel honoured to be amongst the annual stake holder's meeting of the Company and thank you all for being part of our journey for last more than three decades.

In this journey we have witnessed several ups & downs and remained patient and together, surely it will continue.

Remembering the passage of such a illustrious journey together, sometimes, I feel very nostalgic and emotional.

During the period under review, as anticipated the economic environment was quite eventful at the International and Domestic theatre.

Several developments in the global arena including US-China Trade relations, un-resolved issue of Brexit and other geo political uncertainties resulted in Global Economic slowdown particularly in the second half

of last year, reflecting a confluence of factors affecting major economies. This may continue for some more time and immediate future is relatively un-predictable.

The Economic Survey of India for 2018-19 has reaffirmed the slowdown in the domestic economy and has indicated a marginal and gradual revival. With the huge mandate the Govt. at the Centre is in the process of consolidating and stream lining the economic process of the Country with an objective of over-all growth in all the sectors. This pragmatic approach is starting to give the fruits to the Society.

In view of the above, the Domestic Industry is growing slowly at the moment and International Trade remained under pressure both in terms of value and margins which would also be a great challenge to your Company. Your Company is quite aware of the situation and exploring new Business Models and aligning in to this evolving economic scenario. The Management is optimistic to leverage itself to this new economic regime.

Over more than 3 decades, your Company has continued to grow and evolve, creating value for the share owner and we are sure that we will continue to strive ahead.

In the end, I would like to place on record my sincere thanks to all the stake holders and having deep satisfaction of what your Company is today. Way forward, ushering in to the new challenges, new business environment, it is time to look for the new ideas with fresh vigour and zeal. Therefore, it is imperative to give way to the Genext, which is quite mature and have talent in abundance. Wishing you all be always with the Company which is bound to grow in future.

With lots of Thanks,



Deepak Kothari

Place : Kanpur

Dated : 30th July, 2019

NOTICE:

Notice is hereby given that the Thirty Fifth Annual General Meeting of the Members of Kothari Products Limited will be held on Monday, the 23rd September, 2019 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 receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the Reports of the Auditors thereon.
3. To declare Dividend for the aforesaid financial year.
4. To appoint a Director in place of Sri Mitesh Kothari (DIN: 00089076), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. To re-appoint Dr. Avinash Gupta as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended till date and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended till date, subject to the Company’s policy on Terms and Conditions for Appointment of Independent Directors, Dr. Avinash Gupta (DIN: 00089371), who was appointed as an Independent Director w.e.f. 19th September, 2014 for a period of 5 years and who held office of Independent Director up to 18th September, 2019 and who has been proposed to be re-appointed by the Board of Directors and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. 19th September 2019.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds and things as may be necessary in the aforesaid appointment”.

6. To re-appoint Sri Vikas Chaturvedi as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended till date and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended till date, subject to the Company’s policy on Terms and Conditions for Appointment of Independent Directors, Sri Vikas Chaturvedi (DIN: 00089394), who was appointed as an Independent Director w.e.f. 19th September, 2014 for a period of 5 years and who held office of Independent Director up to 18th September, 2019 and who has been proposed to be re-appointed by the Board of Directors and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. 19th September, 2019.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds and things as may be necessary in the aforesaid appointment”.

7. To re-appoint Sri Pramod Kumar Tandon as an Independent Director and in this regard, pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Appointment and

Qualification of Directors) Rules, 2014, as amended till date and the provisions of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date, subject to the Company's policy on Terms and Conditions for Appointment of Independent Directors, Sri Pramod Kumar Tandon (DIN: 00089344), who was appointed as an Independent Director w.e.f. 19th September, 2014 for a period of 5 years and who held office of Independent Director up to 18th September, 2019 and who has been proposed to be reappointed by the Board of Directors and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f. 19th September, 2019."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds and things as may be necessary in the aforesaid appointment".

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

By Order of the Board
for KOTHARI PRODUCTS LTD.

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

DATE : 29th May, 2019

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THAT 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 must 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. Proxy form and attendance slip are enclosed in the Annual Report.
3. The Register of Members of the Company shall remain closed from Monday, 16th September, 2019 to Monday, 23rd September, 2019 (both days inclusive) in connection with the Annual General Meeting and for the purpose of Payment of Dividend, if declared, at the aforesaid meeting.
4. The Dividend for the year ended 31st March, 2019 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 Sunday, 15th September, 2019 after giving effect to all the valid transfers as received by the Company or its Registrar & Share Transfer Agent on or before 15th September, 2019. In respect of the 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., (UNIT: KOTHARI PRODUCTS LTD.) "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.
6. Those Members who have not encashed/received their Dividend warrants for the financial years 2011-12 onwards may approach immediately to 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. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company (www.kothariproducts.in).

7. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to Sections 124 and 125 of The Companies Act, 2013 and Rules made thereunder and erstwhile sections 205A and 205C of the Companies Act, 1956, all Unclaimed/Unpaid dividend for a period of seven years from the date they became due for payment, were required to be transferred to the IEPF. Accordingly, all unclaimed/unpaid dividend for the Financial Year 2011-12, have to be transferred to the Investors Education & Protection Fund (IEPF) established by the Central Government.

Further, as per Section 124(6) of the Act read with IEPF Rules as amended, all shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more are also required to be transferred to the Demat Account of the IEPF Authority.

The Company has sent notices to all the members whose Dividends are lying unpaid/unclaimed for seven consecutive years or more. Concerned Members are requested to claim the same immediately. In case the dividends are not claimed, necessary steps will be initiated by the Company to transfer shares held by the members to IEPF without further notice.

The unpaid Dividend amount relating to the Financial Years, 1997-98, 1998-2000 (Interim), 1998-2000 (Final), 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-07, 2007-08, 2008-2009, 2009-10 & 2010-11 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 2011-12 WILL BE TRANSFERRED TO THE INVESTOR EDUCATION & PROTECTION FUND, AS PER THE PROVISIONS OF SEC.124(5) OF THE COMPANIES ACT, 2013 IN OCTOBER, 2019. THE DIVIDEND FOR THE AFORESAID YEAR SHALL BE PAID ONLY ON RECEIPT OF REQUEST AND SATISFACTORY COMPLIANCE OF THE REQUISITE PROCEDURE

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 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.
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 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.
12. Even after registering for e-communication, the members are entitled to receive such communication/documents in physical form, upon making a request for the same, by post, free of cost.
13. 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, as amended, alongwith Regulation 44 of the SEBI (LODR) Regulations, 2015, the members have been provided with the facility to cast their votes electronically through the "remote e-voting" services provided by NSDL, on all the resolutions set forth in this Notice. The "remote e-voting" period commences on Friday, 20th September, 2019 (9:00 A.M. IST) and ends on Sunday, 22nd September, 2019 (5:00 P.M. IST). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on Monday 16th September, 2019 (being the cut-off date fixed by the Company for "remote e-voting"), may cast their votes electronically. The "remote 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 member's alongwith the Annual Report. Members have option to vote either through "remote e-voting" or through the Physical Ballot form. If a member has opted for "remote 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 "remote e-voting" then voting through "remote e-voting" shall prevail and voting done by physical ballot shall be treated as invalid. The instructions for "remote e-voting" and other details thereof are mentioned in the physical ballot form and "remote e-voting" form being sent to you alongwith the Annual Report and they form an integral part of this notice. The members who have cast their vote by "remote e-voting" prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

14. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only, shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through Ballot Paper.
15. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may obtain the user ID and Password by sending a request at **evoting@nsdl.co.in or rta@alankit.com** by mentioning their Folio No./DP ID and Client Id. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details / Password" option available on **www.evoting.nsdl.com** or contact NSDL at the following toll free no. 1800-222-990.
16. 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** and on the website of NSDL **www.evoting.nsdl.com** within 3 days of passing the resolutions at the Thirty Fifth Annual General Meeting of the Company on Monday, 23rd September, 2019 and communicated to the Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited, where the shares of the Company are listed.
17. The Chairman shall, at the Annual General Meeting, at the end of discussions on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer by use of Ballot Paper for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
18. Pursuant to SEBI (LODR) Regulations, 2015, particulars of Directors seeking re-appointments at this meeting are provided in the Corporate Governance Report forming part of the Annual Report.
19. The Securities & Exchange Board of India has notified that the shareholders/transferees 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 by transfer, transmission or any other Corporate Action. Accordingly, all the Physical shareholders/transferees 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 by transfer, transmission or any other Corporate Action.
20. All documents referred to in the accompanying notice shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 A.M. TO 6:00 P.M.) on all working days upto and including the date of the Annual General Meeting of the Company.
21. Annual Report and AGM Notice is available at the website of the Company at **www.kothariproducs.in** in the Investor's Section.
22. A corporate member intending to send its authorized representative to attend the Meeting in terms of section 113 of the Companies Act, 2013 is requested to send the company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf in the meeting.