

**MINUTES OF THE 29TH ANNUAL GENERAL MEETING OF
KOTHARI PRODUCTS LTD. HELD ON FRIDAY, THE 13TH
DAY OF SEPTEMBER, 2013 AT 11:30 A.M. AT "ROYAL
CLIFF", 113/72, SWAROOP NAGAR, OPPOSITE
MOTIHEEL GATE NO.1, KANPUR**

PRESENT:

1. Shri Deepak Kothari - Chairman & Managing Director
2. Shri Mitesh Kothari - Executive Director
3. Shri Vikas Chaturvedi - Director
4. Dr. Avinash Gupta - Director
5. Shri Pramod Kumar Tandon - Director & Chairman of Audit
Committee
6. Shri A. N. Rastogi - Auditor

MEMBERS:

30 members were present in person as per the Shareholders' Attendance Register produced before the meeting.

PROXIES:

10 members were present through valid proxies as per Proxy Register produced before the meeting.

IN ATTENDANCE:

Shri Raj Kumar Gupta - Company Secretary

SPECIAL INVITEE:

Shri Rajeev Mehrotra - Chartered Accountant
Shri Ramji Mehrotra - Chartered Accountant

CHAIRMAN:

Shri Deepak Kothari, Chairman & Managing Director took the Chair.

QUORUM:

The necessary quorum being present, the Chairman declared the meeting as properly constituted. He then formally extended a very warm welcome to the Shareholders at the 29th Annual General Meeting and introduced his colleagues on the dais to the Shareholders. The Chairman then addressed the Members in brief.

REGISTER OF DIRECTORS' SHAREHOLDING:

The Chairman declared before the meeting that the Register of Directors' Shareholding is available at the meeting and is open for inspection by any member of the Company, during the continuance of the meeting.

NOTICE OF THE MEETING:

With the permission of the members the notice of the meeting was taken as read.

AUDITORS' REPORT:

The Auditors' Report on the Audited Accounts of the Company was read out at the meeting by the Secretary of the Company.

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For KOTHARI PRODUCTS LTD.

(RAJ KUMAR GUPTA)
CS & COMPLIANCE OFFICER

ADOPTION OF ANNUAL ACCOUNTS:

The Chairman stated before the Meeting that the Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors' and the Auditors' thereon have already been circulated to you and have been with you for quite some time.

Thereafter he invited the members to raise any query relating to the accounts etc., but there was no query raised by any member.

Thereafter Mr. Raj Gopal Mehrotra proposed the following Resolution as an Ordinary Resolution :

"RESOLVED THAT the Audited Standalone and Consolidated Balance Sheets of the Company as at 31st March, 2013, the Profit & Loss Accounts, as placed before the meeting and Cash Flow Statements for the year ended on that date together with the Directors' and the Auditors' Reports thereon, be and are hereby adopted."

Thereafter the above Resolution was seconded by Mr. Ved Prakash Awasthi.

Thereafter the Resolution was put to vote on show of hands by the Chairman and after show of hands, was declared carried unanimously by the Chairman.

DECLARATION OF DIVIDEND:

Thereafter the Chairman took-up item No.2 of the Notice.

Ms. Nisha Gupta proposed and Mr. Raj Gopal Mehrotra seconded the following resolution as an Ordinary Resolution:

"RESOLVED THAT a Dividend @200% on the paid up Equity Share Capital of Rs.66319700/- of the Company, amounting to Rs.13,26,39,400/- as recommended by the Board of Directors, be and is hereby declared."

Thereafter the Resolution was put to vote on show of hands by the Chairman and after show of hands, was declared carried unanimously by the Chairman.

RE-APPOINTMENT OF MR. VIKAS CHATURVEDI AS A DIRECTOR:


Thereafter the Chairman took-up item No.3 of the Notice.

Mr. Vivek Gupta proposed and Ms. Asha Rani seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Vikas Chaturvedi, a Director of the Company, who retires by rotation at this meeting, being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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For KOTWARI PRODUCTS LTD.



(RAJ KUMAR GUPTA)
CS & COMPLIANCE OFFICER

Thereafter the Resolution was put to vote on show of hands by the Chairman and after show of hands, was declared carried unanimously by the Chairman.

RE-APPOINTMENT OF MR. MITESH KOTHARI AS A DIRECTOR:

Thereafter the Chairman took-up item No.4 of the Notice.

Mr. Sita Ram Gupta proposed and Ms. Pushpa Mishra seconded the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Mitesh Kothari, a Director of the Company, who retires by rotation at this meeting, being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

Thereafter the Resolution was put to vote on show of hands by the Chairman and after show of hands, was declared carried unanimously by the Chairman.

RE-APPOINTMENT OF RETIRING AUDITORS:

Thereafter the Chairman took-up item No.5 of the Notice.

Mr. Raj Gopal Mehrotra proposed and Ms. Nirmala Gupta seconded the following Resolution as an Ordinary Resolution:

“RESOLVED THAT the Auditors of the Company, M/s. Mehrotra & Mehrotra, Chartered Accountants, Kanpur who retire at this meeting, being eligible and willing to act as Auditors, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors in consultation with the Auditors.”

Thereafter the Resolution was put to vote on show of hands by the Chairman and after show of hands, was declared carried unanimously by the Chairman.

RE-APPOINTMENT OF SRI DEEPAK KOTHARI AS THE CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY:

Thereafter the Chairman took-up item No.6 of the Notice.

Ms. Komal Gupta proposed and Ms. Vijay Laxmi Gupta seconded the following Resolution 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 :-

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For KOTHARI PRODUCTS LTD.

(RAJ KUMAR GUPTA)
CS & COMPLIANCE OFFICER

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.

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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.

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(RAJ KUMAR GUPTA)
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(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."

Thereafter the Resolution was put to vote on show of hands by the Chairman and after show of hands, was declared carried unanimously by the Chairman.

RE-APPOINTMENT OF SRI MITESH KOTHARI AS THE EXECUTIVE DIRECTOR OF THE COMPANY:

Thereafter the Chairman took-up item No.7 of the Notice.

Mr. Rajendra Kumar Gupta proposed and Ms. Mili Gupta seconded the following Resolution 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

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(RAJ KUMAR GUPTA)
CS & COMPLIANCE OFFICER

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 :

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.

(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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- (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 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 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 Executive Director a notice of three months of such termination or on payment of three months salary in lieu thereof and by the Executive Director by notice of three months to the Company.

C. COMMISSION :

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For KOTWARI PRODUCTS LTD.

(RAJ KUMAR GUPTA)
CS & COMPLIANCE OFFICER

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 Executive Director, the Company has no profits or its profits are inadequate in any financial year, the Executive 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."

Thereafter the Resolution was put to vote on show of hands by the Chairman and after show of hands, was declared carried unanimously by the Chairman.

INCREASE OF SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTORS:

Thereafter the Chairman took-up item No.8 of the Notice.

Mr. Sita Ram Gupta proposed and Ms. Komal Gupta seconded the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to sections 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(s) thereof for the time being in force, the sitting fees of each Non-Executive Director attending a Board meeting be increased from Rs.1000/- to Rs.3000/- per meeting on and from 1st October, 2013."

VOTE OF THANKS:

As there was no other business to be transacted, the meeting came to an end with a vote of thanks to the Chair.

Date : 26.09.2013

Place : Kanpur

Sd/-
(CHAIRMAN)

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For KOTIHARI PRODUCTS LTD.

(Raj Kumar Gupta)
CS & COMPLIANCE OFFICER