



KOTHARI PRODUCTS LIMITED

Regd. Off. : "Pan Parag House", 24/19, The Mall, Kanpur (U.P.)-208 001
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POSTAL BALLOT NOTICE (Pursuant to Section 192A of the Companies Act, 1956)

TO THE MEMBERS OF KOTHARI PRODUCTS LIMITED

Notice is hereby given that following resolutions are proposed to be passed by Postal ballot in accordance with Section 192A of the Companies Act, 1956 (herein after referred to as the Act) read with The Companies (Passing of the Resolutions by Postal Ballot) Rules, 2011 (the "Rules") as amended from time to time.

The proposed resolutions and explanatory statement are appended below for consideration by the members of the Company. The Postal ballot form is annexed to this notice for the purpose of exercising the votes in respect of the said resolutions.

The Board of Directors of the Company has appointed Mr. Adesh Tandon, a Practising Company Secretary, as scrutinizer for conducting the postal ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed in the accompanying Postal Ballot form before casting your vote and return the same duly completed in the enclosed, self addressed, postage pre-paid envelope so as to reach the scrutinizer on or before 21st March, 2014. Any Ballot Form received by the Company after 21st March, 2014 shall be treated as if reply from the member has not been received.

The scrutinizer shall submit his report to the Chairman of the Company. The results of Postal Ballot will be declared by the Chairman of the Company on Monday, the 24th March, 2014 at 12:00 Noon at the Registered Office of the Company. The results will be submitted to the National Stock Exchange of India Ltd., Bombay Stock Exchange Ltd. and U.P. Stock Exchange Ltd. for uploading on their websites and the same shall also be put up on the Company's website at www.kothariproducts.in

1. To consider and if thought fit, to give assent/dissent to the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the recommendation of the Board of Directors and Article 58 of the Articles of Association of the Company, Section 23 (1)(c) of the Companies Act, 2013, SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2009 and such other applicable provisions, if any, a sum of Rs.13,26,39,400 (Rupees Thirteen Crores Twenty Six Lacs Thirty Nine Thousand and Four Hundred) standing to the credit of the Company's General Reserves be capitalized and such amount be applied in paying up in full 1,32,63,940 (One Crore Thirty Two Lacs Sixty Three Thousand Nine Hundred and Forty) Bonus Equity Shares of Rs. 10/- each in the capital of the Company, to be allotted and distributed as fully paid-up Equity Shares to the members of the Company registered on such date as may hereafter be determined by the Board of Directors in the ratio of 2 (Two) Equity Shares for every 1 (one) Equity Share held in the Company.

FURTHER RESOLVED THAT the Equity Shares to be issued in pursuance of the aforesaid shall, in all respect, rank pari passu to the existing Equity Shares of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do, sign and execute all such acts, deeds and documents as may be necessary to give effect to the aforesaid."

2. To consider and if thought fit, to give assent/dissent to the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to Section 16, 31 & 94 of the Companies Act, 1956 and all other applicable provisions, if any, of The Companies Act, 1956, (including any statutory modifications or re-enactments thereof for the time being in force) the consent of the Company be and is hereby granted for increase in the Authorised Share Capital of the Company from Rs.11,00,00,000/- (Rupees Eleven Crores) divided into 1,10,00,000 (One Crore Ten Lacs) Equity shares of Rs.10/- (Rupees Ten) each to Rs.21,00,00,000/- (Rupees Twenty One Crores) divided into 2,10,00,000 (Two Crores Ten Lacs) Equity Shares of Rs.10/- (Rupees Ten) each.

FURTHER RESOLVED THAT the existing clause V. of the Memorandum of Association of the Company be replaced with the following new Clause :-

"V. The Authorised Share Capital of the Company is Rs.21,00,00,000/- (Rupees Twenty One Crores) divided into 2,10,00,000 (Two Crores Ten Lacs) Equity Shares of Rs.10/- (Rupees Ten) each."

FURTHER RESOLVED THAT consequent to the aforesaid increase of the Authorised Share Capital of the Company, Article 3 of the Articles of Association of the Company be altered by substituting in its place the following new Article :-

"3. The Authorised Share Capital of the Company is Rs.21,00,00,000/- (Rupees Twenty One Crores) divided into 2,10,00,000 (Two Crores Ten Lacs) Equity Shares of Rs.10/- (Rupees Ten) each."

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do, sign and execute all such acts, deeds and documents as may be necessary to give effect to the aforesaid."

3. To consider and if thought fit, to give assent/dissent to the following resolution as a Special Resolution:-

"RESOLVED THAT in supersession of the Special Resolution passed through Postal Ballot on 9th March, 2012 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, other applicable provisions, if any, of the Companies Act, 1956 read with the Companies Act, 2013 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 or Associate/ Joint venture Companies, related parties as contemplated in Accounting standards and/or The Companies Act, 2013, 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.2500 Crores outstanding at any one point of time.

FURTHER RESOLVED THAT the Board of Directors of the Company 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."

4. To consider and if thought fit, to give assent/dissent to the following resolution as a Special Resolution:-

"RESOLVED THAT in supersession of the Ordinary Resolution passed in 28th AGM of the Company held on 21st September, 2012 the consent of the Company be and is hereby accorded under section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 read with 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."

By Order Of the Board
for KOTHARI PRODUCTS LTD.

Regd. Office :
"Pan Parag House"
24/19, The Mall,
Kanpur 208 001

Date : 11th February, 2014

(RAJ KUMAR GUPTA)
CS & Compliance Officer

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and 192A of the Companies Act, 1956 read with The Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, setting out material facts is annexed hereto.
2. Notice is being sent to all the members, whose names appear in the Register of Members/Record of the Depositories as on 14th February, 2014 and they only are entitled to vote on the Postal Ballot Form being sent herewith. The postal ballot form along with self-addressed business reply envelope is enclosed for use of members.
3. All material documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered office of the Company during the office hours on all working days except holidays between 10:00 A.M to 05:00 P.M upto the last date of receipt of postal ballots.

EXPLANATORY STATEMENT ATTACHED TO THE POSTAL BALLOT NOTICE DATED 11TH FEBRUARY, 2014 SENT TO THE SHAREHOLDERS OF THE COMPANY U/S 102 OF THE COMPANIES ACT, 2013 READ WITH SECTION 192 A (2) OF THE COMPANIES ACT, 1956

ITEM NO. 1

With a view to capitalize the reserves of the Company, your Board of Directors has at, its meeting held on 11th February, 2014, proposed to issue Bonus Shares to all its shareholders in the ratio of two Equity Shares for every one Equity Share held on such date as may hereafter be determined by the Board of Directors. As per Article 58 of the Articles of Association of the Company, for issue of Bonus Shares, approval of the members is required. Hence the proposed resolution at Item No.1 of the notice.

The Board of Directors recommend you to pass the aforesaid resolution.

Sri Deepak Kothari, Chairman & Managing Director and Sri Mitesh Kothari, Executive Director may be deemed to be interested or concerned in the aforesaid Resolution as they along with their relatives and associate Company hold 4973468 Equity Shares of the Company (constituting 74.99% of the paid-up share capital of the Company). Further, Dr. Avinash Gupta, a Director of the Company may also be deemed to be interested to the extent of his shareholding of 500 Equity Shares held in the Company (constituting 0.01% of the paid-up share capital of the Company).

ITEM NO.2

The present Authorised Share Capital of the Company is Rs.11,00,00,000/- (Rupees Eleven Crores) divided into 1,10,00,000 (One Crore Ten Lacs) Equity shares of Rs.10/- (Rupees Ten) each.

As the Company has proposed to capitalize its profits and issue Bonus Equity Shares and since post issue of the aforesaid Bonus Shares the paid-up share capital of the Company would increase to Rs.19,89,59,100 which is beyond the existing authorized capital of Rs.11 Crores. Hence it is proposed to increase the authorized share capital of the Company to Rs.21 Crores to give effect to the aforesaid issue of Bonus shares.

In terms of the provisions of Sections 16, 31 & 94 of the Companies Act, 1956, any increase in the Authorized Share Capital and consequential amendments in the Capital Clauses of the Memorandum & Articles of Association of the Company require approval of the members and accordingly the approval of the Members for alteration of the Authorised Share Capital of the Company at item No.2 of the Notice is being sought for to give effect to the above.

The Board of Directors of the Company recommends you to pass the aforesaid Resolution.

Sri Deepak Kothari, Chairman & Managing Director and Sri Mitesh Kothari, Executive Director may be deemed to be interested or concerned in the aforesaid Resolution as they along with their relatives and associate Company hold 4973468 Equity Shares of the Company (constituting 74.99% of the paid-up share capital of the Company). Further, Dr. Avinash Gupta, a Director of the Company may also be deemed to be interested to the extent of his shareholding of 500 Equity Shares held in the Company (constituting 0.01% of the paid-up share capital of the Company).

ITEM NO. 3

The members had authorized the Board of Directors through Postal Ballot on 9th March, 2012 to make investments in the shares, securities, Mutual Funds and such other Funds etc. of such Companies, Institutions etc. and give Guarantees/Securities as mentioned in the Special Resolution, passed on the aforesaid date, in this regard upto maximum amount of Rs. 1250 Crores. Over the years the Company has diversified into real estate and international trading businesses. In the course of its diversification and for the purpose of expansion of its existing business, it is expected that in the coming times, the Company may be required to Invest, advance loan, give guarantee or provide security in excess of the aforesaid limits.

In view of the aforesaid and Pursuant to the provisions of Section 372A of the Companies Act, 1956, the Board of Directors proposes to increase the aforesaid limit to Rs.2500 Crores outstanding at any one point of time. The Companies (Passing of the resolution by Postal Ballot) Rules 2011 require any resolution seeking authority from the shareholders relating to Section 372A of the Companies Act, 1956 to be transacted by special resolution through Postal Ballot. Hence, approval of the members is being sought by Postal Ballot through Special Resolution at item No.3.

The sources of funding of the aforesaid investments etc. would be from the net owned funds/ internal accruals as may be available from time to time for the purpose of deploying the surplus funds available in a profitable way for time being and / or in furtherance to expand the business of the company.

The Board of Directors recommends the resolution set out in the Notice for the approval of the members.

All the Directors of the Company except Sri Vikas Chaturvedi may be deemed to be concerned or interested in the aforesaid resolution to the extent of directorships held by them in various group companies. Further, Sri Deepak Kothari, Chairman & Managing Director and Sri Mitesh Kothari, Executive Director and their relatives may be deemed to be concerned or interested in the aforesaid resolution as the amounts of investment /loan /guarantee/security provided may be to group companies, Firms or LLP's as mentioned in Form No.24AA filed by the aforesaid Directors with the Company and as mentioned in the Register maintained u/s. 301 of the Companies Act, 1956, in which the shareholdings etc. of the aforesaid Directors and their relatives may be 2% or more of the paid up capital of those companies/ Firms/LLP's.

ITEM NO. 4

In the 28th AGM held on 21st September, 2012 the Company had authorized Board of Directors to create charges/mortgages in respect of the borrowings made by the Company subject to a maximum Rs.2000 Crores by way of Ordinary Resolution. With the enactment of Section 180 of the Companies Act, 2013, now approval of members is required by way of a Special Resolution for the aforesaid mortgage/charges, etc. Hence, the Special Resolution as set out at item No.4 of the notice.

The Board of Directors accordingly recommend the special resolution set out in item no.4 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.

By Order Of the Board
for KOTHARI PRODUCTS LTD.

Regd. Office :
"Pan Parag House"
24/19, The Mall,
Kanpur 208 001

Date : 11th February, 2014

(RAJ KUMAR GUPTA)
CS & Compliance Officer

INSTRUCTIONS

1. A member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form in all respects and send it to the Scrutinizer in the attached self-addressed postage pre-paid envelope which shall be properly sealed with adhesive or adhesive tape. However, envelopes containing Postal Ballots deposited in person or sent by courier at the expenses of the member will also be accepted. No other form or photocopy of the postal ballot will be permitted.
2. The self addressed envelope bears the address of the Scrutinizer appointed by the company.
3. This Postal Ballot Form should be completed and signed by the Member (as per the specimen signature registered with the Company or furnished by National Securities Depository Limited/Central Depository Services (India) Limited, in respect of the shares held in physical or dematerialized form respectively). In case shares are jointly held, this Form should be completed and signed by the first named Member and in his/her absence, by the next named Member. Unsigned Postal Ballot Forms will be rejected. The exercise of vote by Postal Ballot is not permitted through proxy.
4. A shareholder need not use all his votes nor he needs to cast all his votes in the same way.
5. Completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on 21st March, 2014. All Postal Ballot Forms received after this date will be treated as if reply from such Member has not been received and shall not be counted for the purposes of passing of resolution.
6. The Voting rights shall be reckoned in proportion to a member's share of the paid up equity share capital of the company as on 14th February, 2014.
7. In case of shares held by companies, trusts, societies etc. the duly completed Postal Ballot form should be accompanied by a certified copy of the Board Resolution/Authorization together with attested specimen signature(s) of the duly authorized signatory(ies). Postal Ballot Form signed by the holder of Power of Attorney for and on behalf of a shareholder of the company must be accompanied by the requisite certified true copy of Power of Attorney. If the same is already registered with the company, please quote the Registration No. beneath the signature.
8. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
9. A tick mark (✓) should be placed in the relevant box signifying assent/dissent, for the resolution as the case may be before mailing the postal ballot form. Incomplete, unsigned, improperly, incorrectly tick (✓) marked postal ballot forms will be rejected. Postal ballot form bearing tick marks in both the columns will render the postal ballot form invalid.
10. There will be only one Postal Ballot Form for every folio irrespective of the number of Joint Member(s).
11. A shareholder may request for a duplicate postal ballot form, if so required. However, the dully filled in duplicate postal ballot form should reach the scrutinizer not later than the date specified at item no. 5 above.



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E-Mail : rkgupta@kothariproducts.in

POSTAL BALLOT FORM

(Please read the instructions printed overleaf carefully before completing this form)

Serial No.

1. Name(s) of Shareholder(s)/Beneficial owner(s) (including joint holders, if any) (In block letters) :
2. Registered Address of the sole/first named Shareholder :
3. Registered Folio No./ DP ID No./Client ID No.* :
(* Applicable to investors holding shares in dematerialized form)
4. Number of Shares held :
5. I/We hereby exercise my/our vote in respect of the Special Resolutions to be passed through postal ballot for the businesses stated in the notice of the Company dated 11th February, 2014 by conveying my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below :

Sl. No.	Item	No. of shares	I/We assent to the Resolution	I/We dissent to the Resolution
1.	Special Resolution pursuant to Article 58 & Section 23(1)(c) of the Companies Act, 2013 to approve issue of Bonus Shares in the Ratio of 2 (Two) Equity Shares for every 1 (One) Equity Share held.			
2.	Special Resolution u/s. 16, 31 & 94 of the Companies Act, 1956 to approve increase of Authorised Share Capital of the Company from Rs.11 Crores to Rs.21 Crores.			
3.	Special Resolution to approve investment, giving guarantees/Securities/Loans under section 372A of the Companies Act, 1956			
4.	Special Resolution to approve creation of mortgage and/or charge under section 180(1)(a) of the Companies Act, 2013			

Place :

Date :

Note: Please read carefully the instructions printed overleaf before exercising the vote.

(Signature of the Shareholder)

P. T. O.