

KOTHARI INDUSTRIAL CORPORATION LIMITED

CIN No.L24110TN1970PLC005865

"Kothari Buildings" No.114/117, Mahatma Gandhi Salai
Nungambakkam, Chennai - 600 034

Ph : +91 44 2833 4565 | Fax : +91 44 2833 4581

E-mail :enquiries@kotharis.in | www.kotharis.in



09th October, 2018

To,

BSE Limited

P.J. Towers, Dalal Street, Fort

Mumbai-400 001

Scrip Code: 509732 (BSE)

Sub: Submission of Annual Report of the 48th Annual General Meeting held on 26th September, 2018 - Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

In pursuance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed herewith the Annual Report of the 48th Annual General Meeting held on Wednesday, 26th day of September, 2018 at 11 .00 A.M at Kathivakkam Village, Ennore, Chennai-600057.

Thanking You,

Yours Faithfully

For KOTHARI INDUSTRIAL CORPORATION LIMITED

A handwritten signature in blue ink, reading 'Anil Kumar Padhiali'.

Anil Kumar Padhiali

Company Secretary and Compliance Officer



Kothari Industrial Corporation Limited



BOARD OF DIRECTORS

Mr. Pradip D. Kothari	DIN 01315682	Chairman
Mr.J.Rafiq Ahmed	DIN 02861341	Vice Chairman & Managing Director
Mr. Dilip Machado	DIN 06895289	Independent Director
Mr. D.Gunasekaran	DIN 07326495	Independent Director
Mrs. Surekha P Kothari	DIN 05131936	Non-Independent Director (Resigned w.e.f.28.08.2017)
Mrs. T.A. Rajalaxmi	DIN 08148628	Independent Director (Appointed w.e.f.11.06.2018)

COMPANY SECRETARY

Mr. Anil Kumar Padhiali Company Secretary (Appointed w.e.f.19.03.2018)

CHIEF FINANCIAL OFFICER

Mr. V. Singaravel Chief Financial Officer (Appointed w.e.f.01.08.2017)

STATUTORY AUDITORS

M/s. Arockiasamy & Raj (Regn. No. 006850S)
Chartered Accountants
New No.2, Old No. 33, 1st Floor,
2nd Cross Street, C.I.T. Nagar West,
Chennai - 600 035.

REGISTERED OFFICE:

“Kothari Buildings”
114, Mahathma Gandhi Salai,
Chennai – 600034.
Tel.No.+91 044-28334565
CIN No. L24110TN1970PLC005865
Email: enquiries@kotharis.in
Website: www.kotharis.in

INTERNAL AUDITORS

M/s. N. Ganesan Associates
Chartered Accountants
Chennai - 600 034.

FACTORY:

Super Phosphate Factory,
(under lease arrangement with
Gemini Fertilizers)
Ennore, Chennai-600057.

SECRETARIAL AUDITOR

Mr. R. Srinivasan
Practicing Company Secretary,
A-2, Sri Vijayam - Ceebros Apartments,
9, Vijayaraghava Road, T. Nagar,
Chennai 600 017.

REGISTRARS:

**M/s. Integrated Registry Management
Services Private Limited**
CIN No.U74900TN2015PTC101466
II Floor, “Kences Towers”,
1, Ramakrishna Street, off North Usman Road,
T. Nagar, Chennai 600 017.

CONTENTS

	Page No.
Notice for Annual General Meeting	1
Report of the Directors	8
Secretarial Audit Report	20
Independent Auditors' Report	44
Balance Sheet	50
Statement of Profit and Loss	51
Cash Flow Statement	52
Notes to Accounts	55



KOTHARI INDUSTRIAL CORPORATION LIMITED

Regd. Office : "Kothari Buildings"

114, Mahathma Gandhi Salai, Nungambakkam, Chennai 600 034

NOTICE TO MEMBERS

NOTICE is hereby given that the **48th** Annual General Meeting of the Company will be held at **11.00 a.m. on Wednesday the 26th September 2018** at company's Super Phosphate Factory situated at Kathivakkam Village, Ennore, Chennai 600057, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial Year ended 31st March, 2018 and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pradip D. Kothari (DIN 01315682), who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint Auditors of the Company for a period of five years and to fix their remuneration accordingly pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, M/s. Arockiasamy & Raj., Chartered Accountants, (FRN No.006850S), retiring auditor of the Company be and are hereby re-appointed as Statutory Auditors of the Company for a term of five consecutive years to hold office from the conclusion of Forty Eight (48th) Annual General Meeting until the conclusion of the Fifty Third (53rd) Annual General Meeting of the Company, at such remuneration plus GST, out-of-pocket and travelling expenses, as may be mutually agreed between the Board of Directors of the Company and the Auditors".

SPECIAL BUSINESS:

4. **Appointment of Mrs. Thoopjlamudu Arulpathy Rajalaxmi (DIN: 08148628) as an Independent Director of the Company**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the Sections 149, 150, 152 and any other applicable provisions of the

Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, and Regulation 17 of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 and as recommended by the Nomination and Remuneration Committee and the Board of the Directors of the Company, Mrs. Thoopjlamudu Arulpathy Rajalaxmi (DIN: **08148628**), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from 11th June, 2018 and who holds office until the date of the AGM in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act 2013, from a member proposing her candidature for the office of the Director be and is hereby appointed as an independent director at the company to hold office for a term of 5 (five) consecutive years commencing from 11th June, 2018, who is not liable to retire by rotation".

5. **Approval of Material Related party Transactions:**

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

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in terms of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded for approval of material related party transactions entered into by the Company with related parties as mentioned below:

(Rs. In Lakhs)

Name of the Related Party with nature of transactions	Transactions during the Financial Year 2017-18	Proposed transactions to be entered during the year 2018-19
Gemini Fertilizers:		
Purchase of Raw Materials & finished goods	151.72	11750.00
Royalty Income	22.10	50.31
Rentals/Lease Rental Income	12.00	12.00
Gemini Legal Consultants Private Limited :		
Rentals/Lease Rental Income	4.54	7.26
Top Guard International Security Force Private Limited :		
Rentals/Lease Rental Income	0.86	1.38
Gemini Karma International Services Private Limited :		
Rentals/Lease Rental Income	NIL	54.00
TOTAL	191.22	11874.95

RESOLVED FURTHER THAT the Board of Directors and/ or a Committee thereof, be and is hereby, authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

(By Order of the Board of Directors)

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place: Chennai

PRADIP D KOTHARI

Date : 26.07.2018

CHAIRMAN

Important Notes:-

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of resolution Item No. 4 set out is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
A person can act as proxy on behalf of members not exceed fifty(50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Member holding more than 10% of the total share capital of the Company is entitled to appoint a single proxy, who cannot be proxy of any other member. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
During the period beginning 24 hours before the time fixed of the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of the notice in writing is given to the Company.
3. Under Section 125(1) of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. Since the Company has not declared any dividend from the year 1995 onwards, the necessity of transferring the unpaid or unclaimed dividend to IEPF does not arise.
4. The Register of Members and the Share Transfer books of the Company will remain closed from 20.09.2018 to 26.09.2018 (both days inclusive), for the purpose of Annual General Meeting.
5. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any

Kothari Industrial Corporation Limited

change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

7. The Securities and Exchange of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
8. Additional information, pursuant to SEBI (Listing Obligations And Disclosure Requirement) Regulations, 2015 in respect of the Directors seeking re appointment (Retirement by rotation) at the Annual General Meeting are attached herewith.
9. Electronic copy of the Full Version of the Annual Report for the year 2017-18 and the notice of the 48th AGM are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year is being sent in the permitted mode. These members are requested to register their e-mail ids with the DP/RTA/Company.
10. Full version of the Report and the Notice of the AGM are available in the Company's website viz., www.kotharis.in. Members desirous of receiving the complete annual report may send a request in writing to the Registrar or Company and send the same by post/courier or email with a scanned copy of the request.
11. No dividend has been proposed by the Board of Directors for the year ended 31st March, 2018

12. **Electronic Voting(e-Voting)**

In compliance with provision of section 108 of the companies Act, 2013 and Rules 20 of the companies (Management and Administration) Rules, 2014 and the provision of regulation 44 of SEBI (LODR) regulations 2015 the company will provide its members facility to exercise their right to vote in the 48th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e voting Services provided by Central Depository Services (India) Limited (CDSL). Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 23rd September 2018 at 09.00 a.m. and ends on 25th September 2018 at 05.00 p.m. During this period shareholders 'of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 19th September 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:
- (viii)

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address / Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the dematholders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company Name "KOTHARI INDUSTRIAL CORPORATION LIMITED" on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xx) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 18002005533.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, (CDSL,) Central Depository Services (India) Limited, 16th Floor, PhirozeJeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533.
13. Mr.R.Srinivasan, Practicing Company Secretary, (C.P.No.7779) Email id:momu18@gmail.com Mobile no.9840158156 has been appointed as the Scrutinizer to scrutinize the e-voting as well as physical ballot process in a fair and transparent manner.
14. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours from the conclusion of the AGM to the Chairman of the Annual General Meeting. The Chairman, or any other person authorized by the

Kothari Industrial Corporation Limited

Chairman, shall declare the result of the voting forthwith.

15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.30 p.m.) Monday to Friday, except Holidays, upto and including the date of the Annual General Meeting of the Company.
 16. Members are also hereby informed that the equity shares of the Company are available for dematerialization/rematerialisation under the Depository System.
 17. M/s.Integrated Enterprises (India) Limited, Chennai-600 017 are the Registrars & Share Transfer Agents
18. Members with identical order of names who are holding shares in multiple folios are requested to write to the Company enclosing their Share Certificates to enable the Company to consolidate their holdings into one folio.
 19. Shareholders/Proxies/Authorised Representatives are requested to affix their signatures at the space provided on the Attendance Slip and surrender the same at the AGM venue.
 20. Members/Proxies/Authorised Representatives are requested to bring the copy of the Annual Report for the AGM.

Explanatory Statement pursuant to the provisions of Sec.102 (1) of the Companies Act, 2013:

Item No.4

Appointment of Mrs. Thoopjlamudu Arulpathy Rajalaxmi (DIN: 08148628) as an Independent Director

The Board at its meeting held on 11th June, 2018 appointed Mrs. Thoopjlamudu Arulpathy Rajalaxmi (DIN-08148628) as an Additional Director under the category of Independent Director with effect from such Board meeting dates pursuant to Section 161 of the Companies Act, 2013. She will hold office up to the date of the ensuing annual General Meeting. The Company has received consent in writing to act as director in Form DIR 2 and intimation in Form DIR8 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified under sub- section (2) of section 164 of the Companies Act, 2013. The Board considers that her induction into the board would be of immense benefit to the Company. Brief profile of Mrs.Rajalaxmi is appended. The Board accordingly recommends the resolution set out in Item No.4 of the Notice for approval of the members.

A notice has been received from a member proposing the above candidate for the post of Independent Director of the company and has also deposited Rupees one lakh with the company as required under section 160 of the Companies Act, 2013.

Excluding Ms. Thoopjlamudu Arulpathy Rajalaxmi, none of the Directors or Key Managerial Personnel of the Company or their relatives is related or concerned or interested, financially or otherwise, in the resolution.

Item No.5

Approval for Material Related Party Transactions

During the Financial Year 2017-18, your Company has entered into certain business transactions with "Related Parties" as defined under Section 2 (76) of the Companies Act, 2013. The Company is also proposed to increase business transactions with Gemini Fertilizers, Gemini Legal Consultants Private Limited, Top Guard International Security Force Private Limited, Gemini Karma International Services Private Limited during Financial Year 2018-19.

Current and future transactions with all related parties will be deemed to be material in nature as defined in Regulation 23 of SEBI (LODR) Regulations, 2015, as they may exceed 10% of the Annual Turnover of last Audited Financial Statement of the company. Thus in terms of Sec., 188 of Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations 2015 these transactions would require the approval of the members by way of Ordinary Resolution.

In respect of voting on such resolution(s), the said related parties shall abstain from voting.

Particulars of the contracts/arrangements/transactions

Name of the Related Party with nature of transactions	Nature of Relationship/ Name of the Director/ KMP	Transactions during the Financial Year 2017-18	Proposed transactions to be entered during the year 2018-19	Period of Transactions
Gemini Fertilizers	The Proprietor of Gemini Fertilizers is Mr.J.Rafiq Ahmed who is also Managing Director/KMP in Kothari Industrial Corporation Limited			From 30.5.2018 to the AGM to be held in the calendar year 2019
Purchase of Raw Materials & finished goods		151.72	11750.00	-do-
Royalty Income		22.10	50.31	-do-
Rentals/Lease Rental Income		12.00	12.00	-do-
Gemini Legal Consultants Private Limited	Mr.J.Rafiq Ahmed who is a Director in Gemini Legal Consultants Private Limited and Top Guard International Security Force Private Limited is also Managing Director/KMP in Kothari Industrial Corporation Limited			-do-
Rentals/Lease Rental Income		4.54	7.26	-do-
Top Guard International Security Force Private Limited				-do-
Rentals/Lease Rental Income		0.86	1.38	-do-
Gemini Karma International Services Private Limited	The spouse of Mr.J.Rafiq Ahmed is a Director in Gemini Karma International Services Private Limited			-do-
Rentals/Lease Rental Income		NIL	54.00	-do-
TOTAL		191.22	11874.95	

The monetary value of the transactions proposed is estimated on the basis of the Company's current transactions and future business. The transactions would be at arm's length and at prices which would be competitive and not prejudicial to the interest of the company.

Except Mr. J Rafiq Ahmed, Vice Chairman and Managing Director & KMP and his relative, none of the Directors or KMP or their relatives are interested in the resolution set out in item no.5.

(By Order of the Board of Directors)

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place: Chennai

PRADIP D KOTHARI

Date : 26.07.2018

CHAIRMAN

Kothari Industrial Corporation Limited

ANNEXURE TO THE NOTICE

Particulars of the Director seeking Reappointment/Appointment in the forthcoming Annual General Meeting pursuant to Reg. 36(3) of SEBI (Listing Obligations And Disclosure Requirement) Regulations, 2015

I.

Name of the Director	Mr.Pradip D Kothari
Date of Birth	08.12.1947
Date of Appointment	28.04.1972
Qualification	B.A.
Expertise	Industrialist
Directorship in Listed Entities	Nil
Membership / Chairman in other companies	Nil
Committee Membership	Nil
Shareholding in Kothari Industrial Corporation Limited	3266288

II.

Name of the Director	Mrs. Thoopjlamudu Arulpathy Rajalaxmi
Date of Birth	18.11.1961
Date of Appointment	11.06.2018
Qualification	M.A
Expertise	General Management
Directorship in Listed Entities	Nil
Membership / Chairman in other companies	Nil
Committee Membership	Nil
Shareholding in Kothari Industrial Corporation Limited	Nil

REPORT OF THE DIRECTORS

Your Directors hereby present their 48th Annual Report on the business and operations together with the Audited Accounts of the Company for the year ended March 31, 2018.

Summary of Financial Results :

	(Rupees in Lakhs)	
	<u>2017-18</u>	<u>2016-17</u>
Total Revenue	1,845.75	3,440.25
Total Expenses	1,933.62	3,281.81
(Loss) before Depreciation, Interest, Exceptional Item and Tax	(87.87)	158.44
Depreciation	48.20	411.23
Interest	6.54	317.15
(Loss) before Exceptional Item and Tax	(142.61)	(569.94)
Exceptional Items (net)	(110.85)	
(Loss) before Tax	(253.46)	(569.94)
Tax Expenses	-	-
(Loss) for the year	(253.46)	(569.94)
Other Comprehensive Income	0.83	
Loss carried to Balance Sheet	(252.63)	(569.94)
Earnings per share	(1.32)	(2.98)

In the preparation of the accounts the company has mandatorily adopted "Ind AS" with effect from 1st April 2017 and the comparative figures for the previous year have been modified accordingly. The significant accounting policies have also been redrafted to make them "IndAS" compliant.

DIVIDEND

In view of the continued losses, your Directors are unable to recommend any dividend for the year ended 31st March, 2018.

OPERATIONS:

The significant reduction in the turnover during the year under review had been largely due to stoppage of

production of mixtures during the year due to Government policy. It is expected that based on representation, the State Government would likely to revise its policy thereby facilitating resumption of production of NPK Mixtures, in line with other neighbouring states.

The company is well poised to augment sales of Water Soluble Fertilizers, various Agro Products, Micro Bio Products etc., through its vast network of dealers.

ACTION PLAN :

With a view to expanding the operations of the company, the Vice Chairman and Managing Director has undertaken the following initiatives:

- (a) A senior retired executive of a leading fertilizer company has joined the organization during the year and he has been assigned to revamp the dealers network more particularly in the states of Andhra Pradesh & Karnataka. Further, his expertise would be utilized for manufacture of various new inputs for agro farming. His joining the organization would ensure significant expansion of the company's operations.
- (b) With an objective of creating Pan-India image of the company, the Managing Director has established a business association with the Government of Qatar and its ruler, following which there is a distinct possibility of company being able to import significant quantities of Urea particularly for industrial use for which credit facilities are being lined up. This development augurs well for the growth strategy of the company. The Managing Director has also visited other countries including the United Kingdom and the United States to explore possibilities of overseas collaboration; the benefit of which will be reflected in the years going forward. The above strategic planning, thanks to the strenuous efforts of the Managing Director, would

Kothari Industrial Corporation Limited

open vistas of opportunity for the company and benefit of all stakeholders.

SHARE CAPITAL:

The paid up equity share capital as on 31st March 2018 remains unchanged at Rs.955.54 lakhs.

The company has not issued any shares during the year under review.

TRANSFER TO RESERVES

Your Company proposes not to transfer any sum to the general reserve of the Company

MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE:

In terms of provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, (hereinafter referred to as Listing Regulations) the Management Discussion and Analysis Report is appended as **Annexure-I** to this report.

PARTICULARS OF EMPLOYEES:

Details under Section 197(12) Of the Companies Act, 2013 Read With Rule 5(1) Of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (i) No remuneration was received by any directors in the company during the financial year 2017-18. So, the ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18 is not applicable.
- (ii) There is no percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.
- No remuneration received by the director, so the question of percentage increase in remuneration of each director doesn't arise.

- The Chief Financial Officer has been appointed on 01.08.2017, so there is no increase of remuneration of CFO in the financial year.
- There is no Chief Executive Officer in the financial year, so the question of percentage increase in remuneration of CEO doesn't arise.
- Company secretary of the Company has been appointed on 19.03.2018, so there is no increase in remuneration of CS in the financial year.
- (iii) The percentage increases in the median remuneration of employees in the financial year: 7.18%
- (iv) There were 50, permanent employees on the rolls of the Company as on 31.03.2018.

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in the salaries of employees other than the Managerial Personnel in the last financial year is 6.69% and there is no percentile increase in the managerial remuneration. The comparison between average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year with the percentile increase in the managerial remuneration is not applicable.

- (vi) It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

There are no employees who were in receipt of remuneration in excess of the ceiling prescribed in the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further as on 31st March, 2018 the Company had 50 employees and the Disclosure with respect to details of the Top 10 employees as on 31st March, 2018 in pursuance to Rule 5(2)& Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached herewith as **Annexure-II.**

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A) Change in Board Constitution

- (i) Mrs. Surekha Pradip Kothari, Non-executive Non-Independent Director of the Company resigned from the Board w.e.f August 28, 2017.

- (ii) Mr. J Rafiq Ahmed , was appointed as an Additional Director with effect from 21-04-2017 and he has been appointed as Managing Director of the company for a period of five years and the same has been confirmed by the shareholder at 47th AGM held on 30-12-2017.

- (iii) Company has appointed Ms.Thoopjlamudu Arulpathy Rajalaxmi as an Additional Director under the category of Independent director of the Company with effect from 11th June, 2018 to hold office as such until the conclusion of ensuing Annual General Meeting of the Company.

B) Details with regards to meeting of Board of Directors and attendance during the year of the Company

(i) Composition of the Board of Directors as on the date of this Report is mentioned below;

Name of the Director	Designation	Category
Mr. Pradip D Kothari	Director / Chairman	Non-Executive Director
Mr. Rafiq Ahmed	Vice Chairman & Managing Director	Executive Director
Mr.Gunasekaran	Director	Independent Director
Mr.Dilip Machadoo Machadoo	Director	Independent Director
Ms.Thoopjlamudu Arulpathy Rajalaxmi	Additional Director	Independent Director

(ii) Meeting of Board of Directors and Attendance during the Year:

During the FY 2017 2018, 10 meetings of the Board of Directors of the Company were held i.e. on 05.04.2017, 21.04.2017, 10.05.2017, 31.05.2017, 28.08.2017, 28.09.2017, 02.12.2017, 06.01.2018, 21.02.2018 and 12.03.2018. The gap between two meetings did not exceed 120 days. The attendance of the members at the Board of Directors meetings was as follows:

Name of Director	No. of Board Meetings attended
Mr. Pradip D Kothari	10
Mr. Rafiq Ahmed	9
Mr.Gunasekaran	10
Ms. Surekha P Kothari	4
Mr. Dilip Machadoo Machadoo	10
Ms. Thoopjlamudu Arulpathy Rajalaxmi	Nil

Notes.

- Ms.ThoopjlamuduArulpathyRajalaxmi appointed as Additional Director under the category of Independent Director w.e.f 11th June, 2018.
- Ms.SurekhaP Kothari has resigned w.e.f 28.08.2017 from the Board of Directors.

(C) Policy on Directors' Appointment and Remuneration:

The current policy is to have an appropriate mix of executive, non executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on 31st March, 2018, the Board consist of five Members, one of whom is an Executive Director, one of whom is Non-Executive Director and the three others are Independent

Kothari Industrial Corporation Limited

Directors. The Board periodically evaluates the need for change in its composition and size. The Policy of the Company on Director's Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of director and other matters provided under Section 178(3) of the Companies Act, 2013, adopted by the Board, is appended as **Annexure III** to this report. We affirm that the Remuneration paid to the director is as per the terms laid out in the said policy.

(D) Declaration by Independent Directors:

The Company has received necessary declarations from each Independent Director(s) under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

(E) KEY MANAGERIAL PERSONNEL:

Mr.J Rafiq Ahmed, Managing Director of the company was appointed for a period of five years at the last Annual General Meeting.

Mr. Anil Kumar Padhiali was appointed as Company Secretary cum Compliance officer and KMP of the Company from March 19, 2018.

Mr.V.Singravel was appointed as Chief Financial Officer and KMP of the Company from August 01, 2017.

COMPOSITION OF BOARD'S COMMITTEES:

Your company has three Committees: Viz., the Audit Committee, the Nomination and Remuneration Committee, and the Stakeholder's Relationship Committee. All Committees are appropriately constituted. Details of the All Committee are listed in the Corporate Governance Report.

BOARD EVALUATION:

The Board of Directors has carried out an Annual Evaluation of its "own performance", "Board committees"

and "Individual Directors" pursuant to the section 134(3) of the Companies Act, 2013.

The Nomination and Remuneration Committee ("NRC") reviewed the annual performance of the individual Directors.

In a separate meeting of Independent Directors, performance of non Independent Directors, performance of the Board as a whole was evaluated.

VIGIL MECHANISM:

The Company has established a mechanism for Director's and employee's to report their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company. The Whistle Blower Policy is in place. Employees can report to the Management concerned unethical behaviour, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee. The Vigil Mechanism policy of the company is available on our website www.kotharis.in.

CORPORATE SOCIAL RESPONSIBILITY:

As per the provision of Section 135 of the Companies Act, 2013, all companies having a net worth of Rs.500 crore or more, or a turnover of Rs.1,000 crore or more or a net profit of Rs.5 crore or more during any financial year are required to constitute a CSR committee and hence our Company do not meet the criteria as mentioned above, the Company has not constituted any Corporate Social Responsibility Committee; and has not developed and implemented any Corporate Social Responsibility initiatives and the provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013:

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013. All the employees (permanent, Contractual, temporary, Trainees) are covered under this policy. During the year under review, no complaints were received falling under the category of Sexual Harassment of Women.

Comments of the Board on the qualification/reservation/adverse remarks/disclosure made:

Observations by Secretarial Auditor	Our Reply
1) The Company had convened the Annual General Meeting for FY 2015-16 on 28 th September 2017 and has made an application for compounding of offence with NCLT, Chennai and is pending before them.	The company has filed application for compounding of offence with NCLT, and ROC, Chennai and the same is pending before them. The Company is confident of getting a favourable order from NCLT.
2) The Annual General Meeting for FY 2016-17 was held on 30 th December 2017 after a delay of three months for which permission was not granted by ROC and a similar application is being made.	The company is in the process of filing the compounding application. The Company made an application to get extension of three months for convening the AGM but unexpectedly the ROC not allowed extension of time. However the Company convened the AGM immediately. Company also is in the process of filling the compounding application with NCLT.
3) As per the terms of the listing agreement, the company is required to maintain the shareholders data at a single point with the Registrar & Transfer Agents.	The same is in the process of handing over the physical shareholders data to the Registrar & Transfer Agents.
4) The Company had not transferred an amount of Rs.6.98 Lakhs to the Investor Education and Protection Fund set up by the Ministry of Corporate Affairs relating to previous years.	The matter is sub-judiced before the High Court.
5) Mrs.Surekha P Kothari who was a Director on the Board of the company resigned on 28 th August 2017 and the casual vacancy thus caused by her resignation is to be filledup.	The Board of Directors had appointed a women director namely Ms.Thoopjlamudu Arulpathy Rajalaxmi at their meeting held on 11 th June, 2018.

AUDITORS:

At the 46th Annual General Meeting of the company held on 28th September 2017 M/s.Arockiasamy& Raj, Chartered Accountants, Chennai, were appointed as Statutory Auditors upto the conclusion of ensuing Annual General

SECRETARIAL AUDIT:

Pursuant to provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of Mr.R.Srinivasan, Company Secretary in Practice, Chennai to conduct the Secretarial Audit of the Company for the 12 months period ended on 31st March, 2018. The Secretarial Audit Report (in Form MR-3) is attached as **Annexure-IV** to this Report.

Meeting. The audit report on the Board minutes doesnot contain any qualificatory remark.

Now Board has recommended to the shareholders for reappointment of M/s. Arockiasamy& Raj, Chartered Accountants, Chennai, as Statutory Auditors of the

Kothari Industrial Corporation Limited

Company, to hold office from the conclusion of this Annual General Meeting of the Company until the conclusion of the 53rd Annual General Meeting of the Company to be held in the year 2023.

PARTICULARS ON CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

- (i) Energy Conservation: The superphosphate factory is under long lease and the lessee has taken appropriate steps to ensure energy in a comprehensive manner
- (ii) Foreign Exchange Earnings and Outgo: The Company has not earned or spent any foreign exchange during the year under review.
- (iii) Research and Development & Technology Absorption: The Company is not directly engaged in manufacture.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:-

- a) In the preparation of the Accounts for the Financial Year ended 31st March 2018 the applicable accounting standards and schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed along with the proper explanation relating to material departure;
- b) They have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and Loss for that period.
- c) To the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) They have prepared the annual accounts on a going concern basis.

- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls though adequate are being strengthened on an ongoing basis quite effective to operate effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate.

SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES:

Your Company does not have any Subsidiary/Associate Company nor does it have Joint Venture with any entity. Consolidated Financial statements are not applicable to your Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, details of Loans, Guarantee and Investments covered under the Provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RISK MANAGEMENT

The Company has implemented a risk management policy including identification therein of elements of risk, if any, which in the opinion of the Board is adequate.

EXTRACT OF ANNUAL RETURN:

As required under Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT-9 is annexed with this Report as **Annexure – V**.

RELATED PARTY TRANSACTIONS:

During the year under review, the contracts or arrangements with related parties referred to in section 188 of Companies Act, 2013 have been on arm's length and in ordinary course of business and they were not material in nature. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 is annexed as **Annexure-VI**

CORPORATE GOVERNANCE:

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Kothari Industrial Corporation Limited, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders. The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally.

The provision of Corporate Governance is not applicable on the Company in terms of Regulation 15(2) of SEBI (LODR) Regulations, 2015. At the Company, we constantly strive to evolve and follow up on the Corporate Governance guidelines. However, as a matter of good practice, and best practices a separate section on Corporate Governance is annexed as **Annexure- VII** to this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT:

There are no significant and material orders passed by the Regulators or Court that would impact the going concern status of the company.

INTERNAL FINANCIAL CONTROLS:

The Company has a well-placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. This has been endorsed by

statutory auditors in their separate report which is annexed.

INTERNAL AUDIT:

M/s.N.Ganesan Associates, Chartered Accountants as the Internal Auditor of the Company have carried out effective internal audit of the operations and accounts of the company during the year.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

No material changes and commitments affecting the financial position of the company occurred.

LISTING:

Certain formalities are to be completed for getting the shares re-listed; the Company is actively completing such formalities.

DEPOSITS:

The Company has not accepted any public deposit during the year.

ACKNOWLEDGEMENT:

Your Directors place on record their appreciation of the valuable support and help of M/s.Gemini Fertilizers both in management and financial matters, Government authorities, Banks and Employees. The cooperation and the forbearance of the members are gratefully acknowledged.

(By Order of the Board of Directors)

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place: Chennai
Date : 11.06.2018

PRADIP D KOTHARI
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2018.

1. **INDUSTRY STRUCTURE, DEVELOPMENT:** During the period under the review, the Company had been operating in Fertilizers activity, i.e. manufacturing of Fertilizers product. The Fertilizers industry has always been an important part of people's lives in India. The fertilizers industry in India is one of the oldest manufacturing sectors in the country and is currently its largest.
2. **OPPORTUNITIES & THREATS:** The Government is committed to encourage the healthy growth of Capital Market for development of the Economy. While the government seems committed to reforms to address the challenges, political compromises and high populist spending in an election year will mean that tough decisions are more likely to be deferred.
3. **SEGMENT-WISE PERFORMANCE:** The Company's main business activity is trading of Fertilizers product and its related activities which fall under two reportable segments. The Company has majorly focused on quality and production.
4. **OUTLOOK:** The Company continues to explore the possibilities of expansion and will make the necessary investments when attractive opportunities arise.
5. **RISK & CONCERNS:** The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. The Company has identified various risks and also has mitigation plans for each risk identified.
6. **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:** The Company's operating and business control procedures ensure efficient use of resources and comply with the procedures and regulatory requirements. There are adequate internal controls to safeguard the assets and protect them against losses from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The Audit Committee periodically reviews the internal controls systems and reports their observations to the Board of Directors. The Directors have appointed M/s. N. Ganesan Associates, Chartered Accountants as the Internal Auditors of the Company for the FY 2018-19.
7. **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:** During the year, the Company has recorded a turnover of Rs.1845.75 00 Lacs as compared to Rs.3440.24 Lacs in the previous year. The Company has made net loss of Rs. (253.46) Lacs as compared to Rs.(569.94) Lacs of the previous year after providing depreciation, tax, etc. for the year ended 31st March, 2018.
8. **HUMAN RESOURCE DEVELOPMENT:** The Company believes that the human resources are vital in giving the Company a Competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition / dissemination, creativity and responsibility. As in the past, the Company has enjoyed cordial relations with the employees at all levels. The Company continues to run an in-house training program held at regular intervals and aimed at updating their knowledge about issues.
9. **CAUTIONERY STATEMENT:** Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

Annexure-II
TOP TEN EMPLOYEES IN TERMS OF REMUNERATION

Statements of particulars of top ten employee's pursuant to Rule 5(2) & Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31.03.2018.

S. No	Name of employees	Designation	Amount Remuneration (in Rs.)	Nature of employment	Qualifications	Date of Commencement of employment	Date of cessation of employment	Last employment	No of equity share held
1	Sudhakar Rao A	AGM	6,00,000	Permanent	Graduate	20.08.1992	N.A	N.A	0
2	Raja AR	Personal Secretary to Chairman	4,90,608	Permanent	Graduate	03.01.1998	N.A	N.A	0
3	Sahabudeen A	VP Sales	4,55,000	Permanent	Graduate	01.09.2017	N.A	N.A	1129793
4	Srinivasan R	Manager Secretarial & Legal	4,39,002	Permanent	Graduate	24.02.2010	N.A	Vanavil dyes and chemicals Limited	0
5	Shafeeque Ahmed	GM- Operations	4,20,000	Permanent	Graduate	01.09.2017	N.A	N.A	0
6	Singaravel V	Chief Financial Officer	3,99,678	Permanent	Graduate	01.08.2017	N.A	Best & Crompton Limited	0
7	Srinivasan R	Assistant Manager	3,95,808	Permanent	Graduate	02.05.2004	31.03.2018	N.A	0
8	Jayaraman R	Manager (Production)	3,79,500	Permanent	Graduate	01.09.2009	N.A	N.A	0
9	Krishna Mohan Deshmukh	Area Manager	3,87,600	Permanent	Graduate	18.04.2008	N.A	N.A	0
10	Thammiah P A	Sales Officer	3,60,000	Permanent	Graduate	04.09.2002	N.A	N.A	0

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto as amended from time to time and Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

1. DEFINITIONS:

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income tax Act, 1961;

“Key Managerial Personnel” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

2. OBJECTIVE:

The objective of the policy is to ensure that

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel's and Senior Managerial Personnel's of the quality required to run the company successfully;
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- c) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

3. ROLE OF THE COMMITTEE:

The role of the NRC will be the following:

- a) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- b) To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- c) To devise a policy on diversity of Board of Directors.
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
- e) To make recommendations for the appointment and removal of directors;
- f) To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance of evaluation of Independent Directors.
- g) To Ensure that the Company has formal and transparent procedures for the selection and appointment of new directors to the board and succession plans;
- h) Ensure that our Company has in place a programme for the effective induction of new directors;
- i) To review, on an on going basis, the structure of the board, its committees and their inter relationship;
- j) To recommend to the Board, the remuneration packages of our Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and

performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);

- k) To implement, supervise and administer any share or stock option scheme of our Company; and
- l) To attend to any other responsibility as may be entrusted by the Board.

4. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

5. TERM / TENURE:

- a) Managing Director/Whole time Director: The Company shall appoint or re appoint any person, Managing Director or Executive Director for a term not exceeding five years at a time. No re appointment shall be made earlier than one year before the expiry of term.
- b) Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the

Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole time Director of a listed company or such other number as may be prescribed under the Companies Act, 2013 and Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015.

6. EVALUATION:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

7. REMOVAL:

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

8. RETIREMENT:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain

Kothari Industrial Corporation Limited

the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

9. POLICY FOR REMUNERATION TO DIRECTORS/ KMP/ SENIOR MANAGEMENT PERSONNEL:

a) Remuneration to Managing Director / Whole time Directors:

- i) The Remuneration/ Commission etc. to be paid to Managing Director / Whole time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- ii) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole time Directors.

b) Remuneration to Non Executive / Independent Directors:

- i) The Non Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- ii) All the remuneration of the Non Executive/ Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided
- iii) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

- iv) Any remuneration paid to Non Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (ii) above if the following conditions are satisfied:

- The Services are rendered by such Director in his capacity as the professional;
- And In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

c) Remuneration to Key Managerial Personnel and Senior Management:

- i) The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- ii) The Fixed pay shall include monthly remuneration and may include employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- iii) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

10. IMPLEMENTATION:

- a) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- b) The Committee may Delegate any of its powers to one or more of its members.

Form No. MGT-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2017-18**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules,2014]*

To

The Members,
Kothari Industrial Corporation Limited
(CIN - L24110TN1970PLC005865)
Regd.Office: Kothari Buildings, 4th Floor,
114, Mahatma Gandhi Salai,
Nungambakkam, Chennai 600034

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kothari Industrial Corporation Ltd (here-in-after called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion there on.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report :-

That in my opinion, the company has, during the audit period covering the financial year 2017-18 has complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to there porting made here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year 2017-18 to the provisions of

- (i) The Companies Act, 2013(the Act) and the rules made there under along with other specific industry regulations.
- (ii) Secretarial Standards notified by the Ministry of Corporate Affairs.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- ❖ The Company had convened the Annual General Meeting for FY 2015-16 on 28th September 2017 and has made an application for compounding of offence with NCLT, Chennai and is pending before them.
- ❖ The Annual General Meeting for FY 2016-17 was held on 30th December 2017 after a delay of three months for which permission was not granted by ROC and a similar application is being made.
- ❖ As per the terms of the listing agreement, the company is required to maintain the shareholders data at a single point with the Registrar & Transfer Agents.
- ❖ The Company had not transferred an amount of Rs.6.98 Lakhs to the Investor Education and Protection Fund set up by the Ministry of Corporate Affairs relating to previous years.
- ❖ Mrs.Surekha P Kothari who was a Director on the Board of the company resigned on 28th August 2017 and the casual vacancy thus caused by her resignation is to be filledup.

The post of Company Secretary was filled on 19th March 2018.

The company's shares are under suspension mode with BSE.

Kothari Industrial Corporation Limited

The listing of shares at the stock exchange was suspended in the year 2000. The company is actively pursuing the revocation of suspension with the authorities by complying/agreeing to comply with the various conditions stipulated therein. The outstanding listing fees & processing fees for revocation of suspension called for by BSE has already been remitted and the management has expressed its consent to have the company's shares traded at the exchange and hopes to complete all the formalities at the earliest.

The company's super phosphate factory at Ennore has been leased out to Gemini Fertilizers, a related party. The compliance of various statutes relating to the running of the factory, compliance of labour regulations, pollution control and other employee related enactments are the responsibilities of the lessee and not of the company. However, obtained a confirmation from the factory manager regarding compliance of various statutes relating to operations of factory.

I further report that:

The Board of Directors & the Committees of the Company are duly constituted except in cases and subject to the above comments. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' view are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Chennai
Date : 30th May 2018

R SRINIVASAN
Practicing Company Secretary
ACS. No. 2654
CP No. 7779

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

Annexure-A

(My report of even date is to be read along with this Annexure)

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai
Date : 30th May 2018

R SRINIVASAN
Practicing Company Secretary
ACS. No. 2654
CP No. 7779

Kothari Industrial Corporation Limited

ANNEXURE - V

Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i. CIN	CIN No. L24110TN1970PLC005865
ii. Registration Date	01.07.1970
iii. Name of the Company	Kothari Industrial Corporation Limited
iv. Category/Sub-Category of the Company	Company Limited by Shares
v. Address of the Registered office and contact details	"Kothari Buildings", 4 th Floor 114, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600034 Tel.no.044-28334565 Email: enquiries@kotharis.in
vi. Whether listed company	Yes (now under suspension mode)
vii. Name, Address and Contact details of Registrar and Transfer Agent if any	M/s.Integrated Enterprises (I) Ltd. II Floor, "Kences Towers", 1, Ramakrishna Street, Off.North Usman Road, T.Nagar, Chennai – 600017. Phone No(s) - 044-2814 0801-0803 Fax No.044-2814 2479 email id:yuvraj@integratedindia.in CIN No.U65993TN1987PLC014964

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product /	% to total turnover of the company
1	Chemical Fertilizers	201	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
	NIL	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Hold

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017 (total no. of shares 19110885)				No. of Shares held at the end of the year 31.03.2018 (total no. of shares 19110885)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	1071980	2920432	3992412	20.89	1071980	2920432	3992412	20.89	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	101050	4926	105976	0.55	101050	4926	105976	0.55	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	0	4740247	4740247	24.80	0	4740247	4740247	24.80	0
Sub-total(A)(1):-	1173030	7665605	8838635	46.25	1173030	7665605	8838635	46.25	0
2) Foreign									
g) NRIs-Individuals	7431	96459	103890	0.54	7431	96459	103890	0.54	0
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	0	360000	360000	1.88	0	360000	360000	1.88	0
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	7431	456459	463890	2.43	7431	456459	463890	2.43	0
Total Public Shareholding	1180461	8122064	9302525	48.68	1180461	8122064	9302525	48.68	0
(A)=(A)(1)+ (A)(2)									

Kothari Industrial Corporation Limited

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017 (total no. of shares 19110885)				No. of Shares held at the end of the year 31.03.2018 (total no. of shares 19110885)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	20000	142556	162556	0.85	20000	142556	162556	0.85	0
b) Banks / FI	2603669	21836	2625505	13.74	2603669	21836	2625505	13.74	0
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Foreign National	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	2623669	164392	2788061	14.58	2623669	164392	2788061	14.58	0
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	324621	597822	922443	4.83	423711	498732	922443	4.83	0
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1178659	3454185	4632844	24.24	1083523	3355184	4636807	24.26	0
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	274304	1181481	1455785	7.61	274304	1181741	1456045	7.61	-
c) Others (Foreign National)	4267	-	4267	0.02	4267	-	4267	0.02	0
d) Others (trusts)	4960	-	4960	0.02	737	-	737	0.003	(0.017)
Sub-total(B)(2)	1786811	5233488	7020299	36.73	1786542	5035657	7020299	36.73	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4410480	5397880	9808360	51.32	4410211	5398149	9808360	51.32	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5590941	13519944	19110885	100.00	5590672	13520213	19110885	100.00	0

ii. Share holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Pradip D Kothari	3266288	17.09	-	3266288	17.09	-	0
2.	Surekha P Kothari	111323	0.58	-	111323	0.58	-	0
3.	Maya D Kothari	76410	0.40	-	76410	0.40	-	0
4.	Mitali P Kothari	168090	0.88	-	168090	0.88	-	0
5.	Piyali P Kothari	203056	1.06	-	203056	1.06	-	0
6.	Antara P Kothari	167245	0.88	-	167245	0.88	-	0
7.	Kunal D Banker	6112	0.03	-	6112	0.03	-	0
8.	Aditi D Banker	2512	0.01	-	2512	0.01	-	0
9.	Avanti D Banker	4623	0.02	-	4623	0.02	-	0
10.	Asha Thayer	103890	0.54	-	103890	0.54	-	0
11.	Solaman Investments	360000	1.88	-	360000	1.88	-	0
12.	Kothari & Sons Nominees Pvt. Ltd.	105976	0.55	-	105976	0.55	-	0
13.	A. Rabindran Swamidason	2500000	13.08	-	2500000	13.08	-	0
14.	Rakesh Garg	1840000	9.63	-	1840000	9.63	-	0
15.	K. Santhanam	20000	0.10	-	20000	0.10	-	0
16.	N. Ravichandran	100000	0.52	-	100000	0.52	-	0
17.	T. Sankaran	40000	0.21	-	40000	0.21	-	0
18.	N. Srinivasan	40000	0.21	-	40000	0.21	-	0
19.	G. Mohan Das	60000	0.31	-	60000	0.31	-	0
20.	N.K. Sukkal	60000	0.31	-	60000	0.31	-	0
21.	N. Santharam	5000	0.03	-	5000	0.03	-	0
22.	A.R. Raja	2000	0.01	-	2000	0.01	-	0
23.	D. Ravindra Reddy	60000	0.31	-	60000	0.31	-	0
	Total	9302525	48.68	-	9302525	48.68	-	0

Kothari Industrial Corporation Limited

iii. Change in Promoters' Shareholding (pleasespecify, if there is no change)

Sr. No	Date of Change	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	9302525	48.68	9302525	48.68
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	Shares sold	-	-	-	-
	Sub-total	-	-	-	-
	At the End of the year	9302525	48.68	9302525	48.68

iv. Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2017 (total no. of shares 19110885)		Shareholding at the end of the year 31.03.2018 (total no. of shares 19110885)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India	1471629	7.70	1471629	7.70
2	A.Sahabudeen	1129793	5.91	1129793	5.91
3	The New India Assurance Co.	391673	2.05	391673	2.05
4	Ind Eco Ventures	260000	1.36	260000	1.36
5	The Oriental Insurance Co.	255947	1.34	255947	1.34
6	United India Insurance Company Ltd	207262	1.08	207262	1.08
7	Rajmohan	200000	1.05	200000	1.05
8	National Insurance Co. Ltd	180801	0.95	180801	0.95
9	General Insurance Corporation of India	95597	0.50	95597	0.50
10	Indra Kumar Bakri	74980	0.39	74980	0.39

v. Shareholding of Directors and Key Managerial Personnel:

Sr.No.	Name of Directors	Shareholding at the beginning of the year 01.04.2017 (total no. shares 19110885)		Shareholding at the end of the year 31.03.2018 (total no. shares 19110885)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Pradip D Kothari	3266288	17.09	3266288	17.09
2	Mr. Dilip Machadoo	1	0.00000052	1	0.00000052
3	Mr. Gunasekaran	1	0.00000052	1	0.00000052

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Rs. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1133.22	7.15	-	1140.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not	-	-	-	-
Total(i+ii+iii)	1133.22	7.15	-	1140.37
Change in Indebtedness during the financial year				
- Addition	56.10	-	-	56.10
- Reduction	-	-	-	-
Net Change	56.10		-	56.10
Indebtedness at the end of the financial year				
i) Principal Amount	1189.32	7.15	-	1196.47
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1189.32	7.15	-	1196.47

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

No remuneration was paid to Managing Director during the year 2017-18.

Kothari Industrial Corporation Limited

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
1. Independent Directors	Mr. Dilip Machado	Mr. D. Gunasekaran	
Sitting fee for attending board meetings	Nil	Nil	Nil
Total(1)	Nil	Nil	Nil
2. Other Non-Executive Directors	Mrs. Surekha. P. Kothari (Resigned w.e.f. 28.08.2017)	Mr. Pradip D Kothari	
Sitting fee for attending board meetings	Nil	Nil	Nil
Total(2)	Nil	Nil	Nil
Total(B)=(1+2)	Nil	Nil	Nil

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Appointed w.e.f. 19.03.2018)	CFO (Appointed w.e.f. 01.08.2017)	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	11000	399678	410678
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	11000	399678	410678

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/ Court]	Appeal made. If any (give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers In Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

By order of the Board of Directors

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place : Chennai
Date : 11.06.2018

PRADIP D KOTHARI
CHAIRMAN

Kothari Industrial Corporation Limited

ANNEXURE - VI

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: NIL
2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl.No	Particulars	Details
a)	Name (s) of the related party & nature	<p>Top Guard International security force Private Limited - One Director is interested as that Director is in Board of the Company.</p> <p>Gemini Legal Consultants Private Limited - One Director is interested as that Director is in Board of the Company.</p> <p>Gemini Fertilizer - One Director is owner of the Proprietorship.</p>
b)	Nature of contracts/arrangements/transaction	<p>Top Guard International security force Private Limited Rent received by Kothari Industrial corporation Limited</p> <p>Gemini Legal Consultants Private Limited - Rent received and consultancy charges paid by Kothari Industrial corporation Limited</p> <p>Gemini Fertilizer - Lease Rent received, Royalty and Material received by Kothari Industrial corporation Limited</p>
c)	Duration of the contracts / arrangements/transaction	2017-2018
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<ol style="list-style-type: none"> 1) Top Guard International security force Private Limited- Rent Received- Rs.86,400/- 2) Gemini Legal Consultants Private Limited - Rent Received- 4,53,600/-, Consultancy charges paid Rs. 4,00,000 3) Gemini Fertilizer - Lease Rent Received- Rs.12,00,000/-, Royalty- Rs.22,09,840/- and Material Received- Rs. 1,51,72,998/-

Sl.No	Particulars	Details
e)	Date of approval by the Board	Top Guard International Security Force Private Limited 21.04.2017 Gemini Legal Consultants Private Limited-21.04.2017 Gemini Fertilizer- 21.04.2017
f)	Amount paid as advances, if any	Nil

By order of the Board of Directors

For KOTHARI INDUSTRIAL CORPORATION LIMITED

PRADIP D KOTHARI
CHAIRMAN

Place : Chennai

Date : 11.06.2018

Kothari Industrial Corporation Limited

Annexure-VII

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense and systems and practices are commitment to values, ethical business conduct, accountability, transparency and compliance of laws and acceptance by management of the inalienable rights of shareholders as the true owners of the Company.

The objective is to meet;

- Stakeholders' aspirations and societal expectations.
- Good governance practices stem from the dynamic culture and positive mindset of the organization.
- Infusion of best expertise in the Board;
- Consistent monitoring and improvement of the human and physical resources;
- Board/ Committee meetings at regular intervals to keep the Board informed of the recent happenings.

Your Company believes that good corporate governance contemplates that corporate actions balance the interests of all stakeholders and satisfy the tests of accountability and transparency. The Company adopts a model to adhere

to all the rules and regulations of the statutory authorities. Duties and statutory obligations are discharged in a fair and transparent manner with the object of maximizing the value of the shareholders and stakeholders.

2. BOARD OF DIRECTORS:

a. COMPOSITION AND CATEGORY OF BOARD OF DIRECTORS:

The Company as on the date of this report has in all 5 Directors with considerable professional experience in divergent areas connected with corporate functioning. The Board of Directors of the Company comprises of Executive, Non-Executive and Independent Directors. In all there are Five Directors, One Executive Director, One Non-Executive Directors and Three Independent Directors. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in Marketing, finance, Taxation, Information Technology, Legal and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board. None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he/she is a Director.

Composition of the Board of Directors as on the date of this Report is mentioned below:

Name of the Director	Designation	Category
Mr. Pradip D Kothari	Director/Chairman	Non-Executive Director
Mr. Rafiq Ahmed	Vice Chairman & Managing Director	Executive Director
Mr. Gunasekaran	Director	Independent Director
Mr. Dilip Machadoo Machadoo	Director	Independent Director
Ms.Thoopjlamudu Arulpathy Rajalaxmi	Additional Director	Independent Director

b. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS PERIOD ENDED 31.03.2018 AND AT THE LAST ANNUAL GENERAL MEETING, OUTSIDE DIRECTORSHIPS AND BOARD COMMITTEE MEMBERSHIPS AND NUMBER OF SHARES HELD AS ON 31.03.2018:

Details of the attendance at the Board Meetings during the financial year and at the last Annual General Meeting and also the number of Directorships held by Directors is mentioned below:

Name	Category	Number of Directorship in other public Ltd Companies	No. of Board Meetings attended during period ended 31/03/2018	No. of Committee Membership in other Public Limited Companies	Attendance Last AGM on 30/12/2017	No. of Shares held
Mr. Pradip D Kothari	Non-Executive Chairman	Nil	10	Nil	Yes	3266288
Mr. Rafiq Ahmed	Managing Director	1	9	Nil	Yes	Nil
Mr.Gunasekaran	Non Executive Independent Directors	1	10	Nil	Yes	Nil
Ms. Surekha P Kothari	Non Independent Director	Nil	4	Nil	No	111323
Mr. Dilip Machadoo Machadoo	Non Executive Independent Directors	1	10	Nil	Yes	Nil
Ms.Thoopjlamudu Arulpathy Rajalaxmi	Independent Director	Nil	Nil	Nil	NA	Nil

In accordance with Regulation 26 (1) (b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 Membership/Chairpersonship of only the Audit Committees and Stakeholders' Relationship Committee in all Public Limited Companies has only been considered.

Notes:

- Ms.Thoopjlamudu Arulpathy Rajalaxmi appointed as Additional Director under the category of Independent Director w.e.f 11th June, 2018.
- Ms.Surekha P Kothari has resigned w.e.f 28.08.2017 from the Board of Directors.

c. Number of meetings of the board of directors held and dates on which held:

During the FY 2017 2018, 10 meetings of the Board of Directors of the Company were held i.e. on 05.04.2017, 21.04.2017, 10.05.2017, 28.08.2017, 28.09.2017, 02.12.2017, 06.01.2018, 21.02.2018 and 12.03.2018. The gap between two meetings did not exceed 120 days. The attendance of the members at the Board of Directors meetings was as follows:

Kothari Industrial Corporation Limited

Name of Director	No. of Board Meetings attended
Mr. Pradip D Kothari	10
Mr. Rafiq Ahmed	9
Mr. Gunasekaran	10
Ms. Surekha P Kothari	4
Mr. Dilip Machado Machado	10
Ms. Thooplamudu Arulpathy Rajalaxmi	Nil

d. Disclosure of relationships between directors inter-se:

None of the Directors of the Company are inter-related.

e. Number of shares and convertible instruments held by non- executive directors:

None of the non-executive directors held any shares and convertible instruments.

f. Training of Independent Directors:

Every new Independent Director at the time of appointment is issued a detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, Code of Conduct and obligations on disclosures.

Further every new Independent Director is provided with copy of latest Annual Report, the Code of Conduct, the Code of Conduct for Internal Procedures and to Regulate, Monitor and Report Trading by Insiders ("Code of Conduct - PIT") and the Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the "Fair Practice Code"), Tentative Schedule of upcoming Board and Committee meetings.

The Company through its Executive Directors / Key Managerial Personnel conduct programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

Thus such programs / presentations provides an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them

to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

c. **Committee of the Board:** There are three committees of the board namely: Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee.

3. Audit Committee

(a) Terms of Reference:

The powers, role and terms of reference of the Audit Committee covers the area as mentioned under Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The powers, role and terms of reference of the Audit Committee include inter alia oversight of Company's financial reporting process, internal financial controls, reviewing the adequacy of the internal audit function, reviewing with management the quarterly/ annual financial statements before submission to the Board, recommending the appointment of statutory auditors and fixation of their remuneration, approval of related party transactions, evaluation of risk management systems etc.

(b) Composition, name of members and chairperson:

The Audit Committee Comprises 3 members, which includes one Non-Executive Director and two Non-Executive Independent Directors. The members of the Committee are as follows:

Mr. Dilip Machado Machado	Chairman	Independent Director
Mr. Pradip D Kothari	Member	Non-Executive Director
Mr. Gunasekaran	Member	Independent Director

During the financial year under review, Audit Committee Meetings were held 5 times in a year viz., on 31.05.2017, 14.08.2017, 13.11.2017, 02.12.2017 and 06.01.2018 and

the attendance of the members at the Audit Committee meetings was as follows:

Members	Attendance particulars	
	Meeting Held during their tenure	Meeting Attended during their tenure
Mr. Dilip Machado Machado	5	5
Mr. Pradip D Kothari	5	5
Mr. Gunasekaran	5	5

4. Nomination and Remuneration Committee

(a) Terms of Reference:

The terms of reference of the Committee include the following namely formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remuneration of the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Directors performance, devising a policy on Board diversity, identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to Board their appointment and removal.

(b) Composition, name of members and chairperson:

The Committee Comprises 3 members, which includes three Non-Executive Independent Directors. The members of the Committee are as follows:

Mr. Dilip Machado Machado	Chairman	Independent Director
Mr. Gunasekaran	Member	Independent Director
Ms.Thoopjlamudu Arulpathy Rajalaxmi	Member	Independent Director

(c) Meetings and attendance during the year:

During the financial year under review, Nomination and Remuneration Committee Meetings was held on 24.07.2017 and 09.03.2018 viz., the attendance of the

members at the Nomination and Remuneration Committee meeting was as follows:

Members	Attendance particulars	
	Meeting Held during their tenure	Meeting Attended during their tenure
Mr. Dilip Machado Machado	2	2
Mr. Gunasekaran	2	2
Ms. Surekha P Kothari (Resigned w.e.f. 28.08.2017)	1	1
Ms.Thoopjlamudu Arulpathy Rajalaxmi	Nil	Nil

Notes:

- Ms. Surekha P Kothari has resigned w.e.f 28.08.2017 from the Board of Directors thus vacating the committee membership as well.
- Ms.Thoopjlamudu Arulpathy Rajalaxmi appointed was inducted as member w.e.f 11th June, 2018.

(d) Performance evaluation criteria for independent directors:

The criteria for evaluation of the Independent Directors will be attendance, participation in deliberations, understanding the Company's business and that of the industry and in guiding the Company in decisions affecting the business and additionally based on the roles and responsibilities as specified in Schedule IV of the Companies Act, 2013. A formal evaluation mechanism has been adopted for evaluating the performance of the Board, Committees thereof, individual Directors and the chairman of the Board.

5. Remuneration of Directors:

A Policy on remuneration of Directors, Key Managerial Personnel and Senior Management and other staff was put in place by Nomination and Remuneration Committee and approved by the Board of Directors. The Policy is enclosed as **Annexure –III** to the Board's Report.

Kothari Industrial Corporation Limited

Detail information of Directors Remuneration / Sitting fees paid during the financial year 2017-2018 as follows:

Name of the Director	Category	Total remuneration	Sitting fees
Mr. Pradip D Kothari	Non-Executive / Chairman	Nil	Nil
Mr. Rafiq Ahmed	Executive / Managing Director	Nil	-
Mr. Dilip Machado Machado	Independent Director	-	Nil
Mr. Gunasekaran	Independent Director	-	Nil
Ms. Surekha P Kothari	Non-Executive / Non Independent Director	Nil	Nil

6. Stakeholders' Relationship Committee:

(a) Terms of Reference:

The Committee looks into redressal of grievances of the investors namely shareholders. The Committee deals with grievances pertaining to transfer of shares, non-receipt of annual report, non-receipt of dividend, dematerialisation / dematerialisation of shares, non-receipt of dividend warrants, transfer/transmission/split of shares etc. The Board of Directors have delegated the power of approving transfer/transmission of shares to a Share Transfer Committee.

(b) Composition, name of members and chairperson:

The Committee Comprises 2 members, which includes two Independent Directors. The members of the Committee are as follows:

Mr. Gunasekaran	Chairman	Independent Director
Mr. Dilip Machado Machado	Member	Independent Director

During the financial year under review, Stakeholder Relationship Committee Meetings were held 4 times in a year viz. 30.6.2017, 30.09.2017, 31.12.2017, and 31.03.2018 and the attendance of the members at the Stakeholder Relationship Committee meeting was as follows:

Members	Attendance particulars	
	Meeting Held during their tenure	Meeting Attended during their tenure
Mr. Dilip Machado Machado	4	4
Mr. Gunasekaran	4	4

c) Mr. Anil Kumar Padhiali is the Company secretary and compliance officer of the Company.

(d) Shareholder Complaints:

Thirteen investor complaints were received during the period from 01-04-2017 to 31-03-2018. The complaint was redressed and no queries on the same were pending for the period under review.

7. General Body meeting:

a) Company had its last 3 Annual General Meeting as under:

AGM for the Year	Date & Time	Venue
2014-15	30.03.2016 10.30 a.m.	Company's Super Phosphate Factory at Ennore, Chennai - 600057
2015-16	28.09.2017 09.30 a.m.	Company's Super Phosphate Factory at Ennore, Chennai - 600057
2016-17	30.12.2017 11.00 a.m.	Company's Super Phosphate Factory at Ennore, Chennai - 600057

b) Details of special resolution passed during the last 3 Annual General Meeting:

Date of AGM	Particulars of Special Resolution passed
30.03.2016	No special resolution passed
28.09.2017	1. Lease of Companies fertilizer factory to M/s.Gemini Fertilizers 2. To borrow a sum not exceeding Rs.100 crores (Rupees one hundred crores only) under Section 180(1)(c) of the Companies Act, 2013
30.12.2017	No special resolution passed

c) No special resolution was passed through postal ballot during the period under review.

8. Means of Communication:

Quarterly / half yearly results are disclosed to Stock Exchanges and also published in daily newspapers viz., News Today(all Editions in English) and MalaiSudar(Vernacular). The Quarterly / half yearly results are displayed on the Company's website at www.Kotharis.in. The Company provides information to the stock exchanges as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No presentations were made to institutional investors / analysts.

9. General Shareholder Information:

(a) Annual General Meeting : 48th Annual General Meeting Date & Time: 26.09.2018 at 11.00 A.M.

Venue: Company's Super Phosphate Factory situated at Kathivakkam Village, Ennore, Chennai 600057

(b) Financial Year:

The financial year of the Company will be from 01.04.2017 to 31.03.2018

(c) Dividend Payment Date:

The Company has not declared any interim/final dividend during the financial year.

(d) Listed on Stock Exchange at:

The equity shares (**ISIN:INE972A01020**) of the Company are listed on:

Bombay Stock Exchange Ltd.,
(BSE) PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai 400 001.

Listing Fees up to the year ending 31st March, 2018 have been paid.

(e) Stock Code:

Bombay Stock Exchange – 509732

(f) Market Price data:

Company has suspended from trading in the market since 2000, so Market price data such as high, low during each month in last financial year not applicable.

(g) Reasons for Suspended from Trading:

The Company has suspended from trading due to penal reason.

(h) Registrars and Transfer Agents:

M/s.IntegratedEnterprises(I) Ltd.,
II Floor, "Kences Towers",
1, Ramakrishna Street, off North Usman Road,
T.Nagar, Chennai 600 017.

(i) Share Transfer System:

Share transfers are processed and share certificates duly endorsed are returned within a time period specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 from the date of receipt, subject to documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, etc. of the Company's securities to the "Stakeholder's Relationship Committee". The Minutes which includes summary of transfer and transmission of securities of the Company so approved by the "Stakeholder's Relationship Committee" is placed before the Board meeting for the purpose of taking on record. The Company has obtained from a Company Secretary in

Kothari Industrial Corporation Limited

Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (Listing Obligations &

Disclosure Requirements), Regulations 2015 and filed a copy of the said certificate with Stock Exchange.

(j) Distribution of Shareholding as on 31st March, 2018:

No. of Shares	No. of Shareholders	%	Shareholding in Rs.	% of Total
1 to 5000	51747	99.79	4758230	24.90
5001 to 10000	26	0.05	174672	0.91
10001 to 20000	19	0.04	276148	1.44
20001 to 30000	14	0.03	332769	1.74
30001 to 40000	6	0.02	214878	1.12
40001 to 50000	8	0.01	363516	1.90
50001 to 100000	11	0.02	810358	4.24
100001 and ABOVE	24	0.04	12180314	63.73
Total	51855	100	19110885	100

(k) Shareholding Pattern as on 31st March, 2018:

Sl. No.	Category	No. of holders	No. of shares	%
A	Promoters	23	9302525	48.68
B	Public shareholding			
1	Institutions			
a)	Mutual funds	4	162556	0.85
b)	Financial Institutions/Banks	41	2625505	13.73
2	Non Institution	45	2788061	14.58
a)	Resident	51500	6092852	31.88
b)	Bodies Corporate	257	922443	4.83
c)	Foreign National	25	4267	0.02
d)	Trusts	5	737	0.003
	Total	51855	19110885	100.00

(l) Dematerialization of Shares and Liquidity:

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

Procedures for dematerialization/ re-materialization of Equity Shares:-

Shareholders seeking demat/ remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder. In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched 15 days from the date of issue of shares.

29.25% of the Company's Equity Share Capital of the Company is held in dematerialized form as on 31st March, 2018.

(m) Outstanding GDR/ADR/Warrants/any other convertible instruments:

The Company at present has not issued any GDRS, ADRS/ Warrants or any Convertible Instruments.

(n) Commodity price risk or foreign exchange risk and hedging activities:

Not Applicable

(o) Plant locations:

Not Applicable

(p) Address for correspondence:

Investors may contact the Registrar and Share Transfer Agents (R&TA) for matters related to demat of shares and related issues at the following address:

M/s.Integrated Enterprises(I) Ltd.,

II Floor, "Kences Towers",
1, Ramakrishna Street,
off North Usman Road, T.Nagar,
Chennai 600 017

For matters relating to physical shares, annual reports and other general matters or in case of any difficulties/grievances investors may contact:

The Compliance Officer

M/s.Kothari Industrial Corporation Limited
"Kothari Buildings"
No.114/117, Mahathma Gandhi Salai,
Nungambakkam,
Chennai – 600 034.
Phone No.044-28334565
Fax No.044-28334581
E-mail: enquiries@kotharis.in /
companysecretary@kotharis.in

10. Other Disclosures:

a) As required under applicable SEBI Regulations, your Company has adopted a Policy on Related party transactions and Policy on material subsidiaries and the same have been approved by the Board of Directors.

During the year there was no material significant related party transaction.

b) Company has suspended for trading in the market since 2000. There was no penalty by stock exchange.

c) The Company has established a vigil mechanism pursuant to the requirements of Section 177(9) of the

Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

d) Policy For Determining Material Subsidiaries:

The Company currently do not have any Material Subsidiary. The Policy on Identification of Material Subsidiaries is available on our website www.kotharis.in

e) Policy On Dealing With Related Party Transactions:

The company has entered in to any contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, during the financial year under review. The Policy on Related Party Transaction is available on our website www.kotharis.in.

f) Disclosure of commodity price risks and commodity hedging activities:

Not Applicable

11. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted

(a) Maintaining Non-Executive Chairman's Office:

The company is maintaining Non-Executive Chairman's Office and also allowed reimbursement of expenses incurred in performance of his duties.

(b) Shareholder Rights: The Company's quarterly and half yearly results are published in the newspapers and also uploaded on its website www.kotharis.in and in stock exchange website <http://listing.bseindia.com>. Therefore, no individual communications are sent to the shareholders in this regard.

(c) Modified Opinion in Audit Report :

The financial statement of the Company for the F.Y. 2017-2018 is with unmodified audit opinion.

(d) Separate posts of chairperson and chief executive officer:

Company appointed separate post of chairperson such as Mr.Pradi D Kothari. The Company during the FY 2017-2018 did not have any CEO. As on the date of this report Mr. Rafiq Ahmed is the Managing Director of the Company.

Kothari Industrial Corporation Limited

(e) Reporting of Internal Auditor: Internal Auditor has direct access to the Audit Committee.

12. CEO / CFO Certification: Mr. Vimalanathan Singaravel, Chief Financial Officer and Mr. J. Rafiq Ahmed, Managing Director of the Company have certified to the Board regarding the financial statements for period ended 31-03-2018 in accordance with Regulation 17(8) of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

13. Unclaimed Share Certificates: In terms of the provisions of Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares issued pursuant to the public issues or any other issue which remain unclaimed shall be credited to a demat suspense account with one of the depository participants opened by the Company for this purpose. Till date there is no such shares lying with company.

By order of the Board of Directors

For KOTHARI INDUSTRIAL CORPORATION LIMITED

**PRADIP D KOTHARI
CHAIRMAN**

Place : Chennai

Date : 11.06.2018

DECLARATION UNDER REGULATION 26(3) READ WITH SECHEDULE V PART D OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I, J Rafiq Ahmed (DIN: 02861341), Managing Director of the Company declare that the all Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the FY ended 31st March, 2018.

For KOTHARI INDUSTRIAL CORPORATION LIMITED

**J RAFIQ AHMED
MANAGING DIRECTOR
DIN : 02861341**

Place : Chennai

Date : 11.06.2018

COMPLIANCE CERTIFICATE UNDER REGULATION UNDER REGULATION 17(8) READ WITH PART B OF SCHEDULE III OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Board of Directors,

KOTHARI INDUSTRIAL CORPORATION LIMITED

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting. Further we have not come across any reportable deficiencies in the design or operation of such internal controls

D. We have indicated to the auditors and the Audit committee

1. That there are no significant changes in internal control over financial reporting during the year;
2. That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. That there are no instances of significant fraud with the involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **KOTHARI INDUSTRIAL CORPORATION LIMITED**

Place : Chennai

Date : 11.06.2018

Sd/-

J RAFIQ AHMED
MANAGING DIRECTOR

Sd/-

V SINGARAVEL
CHIEF FINANCIAL OFFICER

Kothari Industrial Corporation Limited

Corporate Governance Certificate

To
The shareholders of Kothari Industrial Corporation
Limited
Chennai

We have examined the compliance of conditions of Corporate Governance by Kothari Industrial Corporation Limited, Chennai 600034 (the Company) for the year ended 31st March 2018 as per the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI (LODR) Regulations).

Compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation

thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI (LODR), Regulations.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Chennai
Date : 11.06.2018

R. Srinivasan
Practicing Company Secretary
C.P.No.7779

Independent Auditor's Report

**To the Members of
KOTHARI INDUSTRIAL CORPORATION LIMITED**

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **KOTHARI INDUSTRIAL CORPORATION LIMITED** ("**the Company**") which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements

Kothari Industrial Corporation Limited

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its Loss for the year ended on that date, total comprehensive income, the changes in equity and its Cash Flow for the year ended on that date.

Emphasis of Matter

Without qualifying our report we draw attention to the following:

- 1. For the restated HDFC loan of Rs 3.45 crores, no provision of interest and other charges have been made pending decision of the Supreme Court of India. (Refer Note No. 5)**
- 2. No provision has been created in the books against loss that may arise due to the claim raised by the Government against the Coonoor property. (Refer Note No. 6)**
- 3. No provision has been made against the sundry debtors of Rs 59.40 lacs relating to the sales discontinued areas. (Refer Note No. 7)**

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss including Comprehensive Income, Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2018:

1. Fixed Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b. The Fixed Assets have been physically verified by the management in a phased manner, which in our opinion is reasonable having regard to the size of the company and nature of its business.
 - c. The title deeds of immovable properties are held in the name of the company
2. The management has conducted the physical verification of inventory at reasonable intervals.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. According to the information and explanations given to us, the company has not accepted any Public Deposits during the year.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub section (1) of Section 148 of the Act, in respect of the activities carried on by the company
7. ***The Company is not regular in depositing undisputed statutory dues including provident fund, service tax, Goods and Service Tax, income tax (tax deducted at source), professional tax and property tax.***
 - (a) ***According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.***

According to the information and explanations given to us, the extent of arrears of undisputed amount outstanding as on 31st March 2018 for a period of more than six months from the date they became payable, as certified by the Management is as under

	Rs in lacs
Income Tax (TDS)*	57,38,442
Professional Tax	17,51,172
Property Tax (factory – disputed)	38,73,661

*Since remitted Rs 2,56,574/-

Kothari Industrial Corporation Limited

(b) According to the information and explanations given to us, details of disputed Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Value Added Tax and Cess which have not been deposited on account of disputes are given below

Name of the statute	Nature of dues	Amount (in lacs)	Period to which the amount relates	Forum where dispute is pending
Tamilnadu Branch Transfer of Fertilisers Non receipt of 'C' forms and disputed tax on sulphur loan	TNGST & CST	872.97	1988-89 to 1991-92	D.C.C.T appeals STAT and High court stay
Karnataka Turnover tax on NPK Mixture	KST	3.87	1996-97	STAT – Stay
Kerala Disputed rate of tax	KGST	0.05	2001-02	STAT – Stay
	Total	876.89		
Remanded back to Assessing authorities: Branch transfer of fertilisers, non receipt of 'C' forms and disputed taxes	TNGST & CST	77.42	1985-86 to 1997-98	D.C.C.T appeals STAT and High court

8. On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to Financial Institutions, Government and Banks, **except the loan from HDFC Bank against which litigation is pending**. The company has not raised any monies against issue of debentures.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, **the company has not paid any managerial remuneration during the year**.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, the provisions of clause (xiv) of para 3 of the Order are not applicable to the company.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Kothari Industrial Corporation Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Kothari Industrial Corporation Limited (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company, considering the essential components of internal control stated in the Guidance Note of Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

Kothari Industrial Corporation Limited

with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Chennai
Dated: 30.05.2018

For M/s.Arockiasamy & Raj
Chartered Accountants
Firm Reg.No.006850S

(A.Nagarajan)
Partner
Membership No.020680

KOTHARI INDUSTRIAL CORPORATION LIMITED
BALANCE SHEET AS AT 31ST MARCH 2018

Rupees in Lacs

Particulars	Note No	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	17(a)	5,909.61	2,706.37	3,123.59
(b) Capital Work in Progress				
(c) Intangible assets	17(b)	1.81	3.02	5.04
(d) Intangible assets under development	-	-	-	-
(e) Deferred tax asset		778.03	778.03	778.03
(f) Financial Assets				
(i) Investments	18	-	5.20	5.20
(ii) loans and advances	19	313.35	320.68	298.56
(iii) Other non-current assets	20	-	0.50	0.50
Non-Current Assets		7,002.80	3,813.80	4,210.92
CURRENT ASSETS				
(a) Inventories	21	256.21	182.82	254.32
(b) Financial Assets				
(i) Investments				
(ii) Trade receivables	22	496.21	235.72	290.85
(iii) Cash and cash equivalents	23	61.03	121.22	158.50
(iv) Other Financial assets	24	273.08	375.84	378.27
(c) Other Current Assets			-	-
Current Assets		1,086.53	915.60	1,081.94
TOTAL ASSETS		8,089.33	4,729.40	5,292.86
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	25	955.54	955.54	955.54
(b) Other Equity	26	238.28	(2,671.04)	(2,101.10)
Equity		1,193.82	(1,715.50)	(1,145.56)
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	27	1,189.32	285.23	1,493.03
(ii) Other Financial liabilities				
(b) Provisions	28	144.99	157.88	175.73
(c) Deferred tax Liabilities (Net)		-	-	-
(d) Other non-current liabilities	29	420.82	924.73	1,054.38
Non Current Liabilities		1,755.13	1,367.84	2,723.14
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	30	7.15	855.14	38.34
(ii) Trade payables	31	1,285.25	443.53	732.35
(iii) Other Financial liabilities	32	3,847.98	3,778.39	2,944.59
(b) Other Current liabilities				
(c) Provisions				
(d) Current Tax Liability (Net)				
Current Liabilities		5,140.38	5,077.06	3,715.28
TOTAL EQUITY AND LIABILITIES		8,089.33	4,729.40	5,292.86
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	2			
CONTINGENT LIABILITIES	33			

The accompanying notes are an integral part of the standalone Ind AS financial statements

As per our Report of even date

On behalf of the Board of Directors

For Arockiasamy & Raj
Chartered Accountants
Regn.No.006850S

Pradip D Kothari
Chairman

J. Rafiq Ahmed
Vice Chairman &
Managing Director

A. Nagarajan
Partner
Membership No.020680
Place: Chennai
Date: 30.05.2018

V. Singaravel
Chief Financial Officer

Anil Kumar Padhiali
Company Secretary

Kothari Industrial Corporation Limited

Statement of Profit and Loss for the year ended 31st March, 2018

Rupees in Lacs

Particulars	Note No	As at 31st March 2018	As at 31st March 2017
Revenue from operations	34	1,650.26	3,381.04
Other Income	35	195.49	59.21
		<u>1,845.75</u>	<u>3,440.25</u>
Expenses:			
Cost of materials consumed	36	19.54	159.05
Purchase of Stock-in-Trade		1,254.86	2,391.72
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	37	(55.36)	69.22
Excise Duty		0.07	2.06
Employee benefits	38	171.26	126.88
Financial costs	39	6.54	317.15
Depreciation and amortization expense	17(c)	48.20	411.23
Other expenses	40	543.26	532.88
		<u>1,988.37</u>	<u>4,010.19</u>
Profit / (Loss) before exceptional and extraordinary items and tax		(142.61)	(569.94)
Exceptional Items	41	110.85	-
Profit / (Loss) before tax		(253.46)	(569.94)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit for the year from continuing operations		(253.46)	(569.94)
Profit/(Loss) from discontinuing operations			
Tax expense of discounting operations			
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the year		(253.46)	(569.94)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Re-measurement of gains and (losses) on defined benefit obligation		0.83	-
Total Comprehensive Income for the year		(253.46)	(569.94)
Earning per equity share:			
(1) Basic		(1.32)	(2.98)
(2) Diluted		(1.32)	(2.98)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying notes are an integral part of the standalone Ind AS financial statements

As per our Report of even date

For Arockiasamy & Raj
Chartered Accountants
Regn.No.006850S

A. Nagarajan
Partner
Membership No.020680
Place: Chennai
Date: 30.05.2018

On behalf of the Board of Directors

Pradip D Kothari
Chairman

J. Rafiq Ahmed
Vice Chairman &
Managing Director

V. Singaravel
Chief Financial Officer

Anil Kumar Padhiali
Company Secretary

CASH FLOW STATEMENT

	For 2017-18	For 2016-17
	Rs Lakhs	Rs Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(253.46)	(569.94)
ADD:		
NET DEPRECIATION FOR THE YEAR	<u>48.20</u>	<u>411.23</u>
	(205.26)	(158.71)
LESS		
LOSS ON DISPOSAL OF ASSETS	-	(2.52)
INTEREST	(6.54)	(317.15)
INTEREST RECEIPTS	0.55	1.52
PROVISION FOR INVESTMENT	<u>(5.20)</u>	<u>-</u>
	(11.19)	(318.15)
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	<u>(194.07)</u>	<u>159.44</u>
MOVEMENT IN WORKING CAPITAL :		
(INCREASE)/DECREASE IN INVENTORIES	(143.24)	71.50
(INCREASE)/DECREASE IN TRADE RECEIVABLES	(260.49)	55.14
(INCREASE)/DECREASE IN FINANCIAL ASSETS	102.77	2.42
INCREASE/(DECREASE) IN LONG TERM PROVISIONS	(12.06)	(17.85)
INCREASE/(DECREASE) IN BORROWINGS	(847.99)	(31.20)
INCREASE/(DECREASE) IN TRADE PAYABLES	841.72	(288.82)
INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES	69.59	833.80
	<u>(249.70)</u>	<u>624.99</u>
CASH FLOW	(443.77)	784.43
NET CASH FLOW FROM OPERATING ACTIVITIES(A)	(443.77)	784.43
B) CASH FLOW FROM INVESTING ACTIVITIES		
INTEREST RECEIPTS	0.55	1.52
PROFIT ON SALE OF ASSETS	-	-
NETT INCREASE IN FIXED ASSETS	(18.44)	5.49
OTHER NON CURRENT ASSETS	0.50	-
NETT INCREASE IN INVESTMENTS	<u>-</u>	<u>-</u>
	(17.39)	7.01
NET CASH FLOW FROM INVESTING ACTIVITIES(B)	(17.39)	7.01

Kothari Industrial Corporation Limited

B) CASH FLOW FROM FINANCING ACTIVITIES			
REPAYMENT OF NON CURRENT LIABILITIES	(503.91)	(129.65)	
REPAYMENT OF LONG TERM BORROWINGS	904.10	(607.80)	
ADVANCES	7.33	(22.12)	
SHARE CAPITAL		-	
INTEREST PAID	(6.54)	(69.15)	(828.72)
NET CASH FLOW FROM FINANCING	400.98	400.98	
ACTIVITIES (C)			
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(60.19)	(37.28)	
CASH AND CASH EQUIVALENT OPENING BALANCE	121.22	158.50	
RESTATEMENT OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS	-	-	
CASH AND CASH EQUIVALENT CLOSING BALANCE	61.03	121.22	
COMPONENTS OF CASH AND CASH EQUIVALENTS			
CASH ON HAND	14.16	4.65	
BALANCES ON CURRENT ACCOUNTS	46.87	16.57	
CHEQUES ON HAND		100.00	
TOTAL CASH AND CASH EQUIVALENTS	61.03	121.22	
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 2			

Note:- The above cash flow statement has been prepared under "Indirect method" Set out in the Ind AS 7 - Cash flow statement

As per our Report of even date

For Arockiasamy & Raj
Chartered Accountants
Regn.No.0068505

A. Nagarajan
Partner
Membership No.020680
Place: Chennai
Date: 30.05.2018

On behalf of the Board of Directors

Pradip D Kothari
Chairman

J. Rafiq Ahmed
Vice Chairman &
Managing Director

Anil Kumar Padhiali
Company Secretary

V. Singaravel
Chief Financial Officer

A) EQUITY SHARE CAPITAL

Equity shares of Rs. 5 each issued, subscribed and fully paid (Refer Note No. 25 a)	31st March 2018		31st March 2017		1st April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
	Equity Shares					
Balance as at the beginning of the year	19,110,885	955.54	19,110,885	955.54	19,110,885	955.54
Add : Shares issued during the year	-	-	-	-	-	-
Balance as at the end of the year	19,110,885	955.54	19,110,885	955.54	19,110,885	955.54

B) OTHER EQUITY (Refer Note 25 b)

	Reserves and Surplus						Total
	Capital Reserves	Capital Redemption Reserves	Revaluation Reserve	Retained Earnings	Other Reserves FVOCI equity Instruments		
Balance as at April 1, 2016	65.85	18.00	2,329.69	(4,514.64)	-	(2,101.10)	
Profit / (Loss) for the year	-	-	-	(569.94)	-	(569.94)	
Other Comprehensive Income	-	-	-	-	-	-	
Transfer to General Reserve	-	-	-	-	-	-	
Transactions with owners in their capacity as owners	-	-	-	-	-	-	
Dividend declared and paid during the year	-	-	-	-	-	-	
Dividend distribution tax paid	-	-	-	-	-	-	
Balance as at March 31, 2017	65.85	18.00	2,329.69	(5,084.58)	-	(2,671.04)	
Profit / (Loss) for the year	-	-	-	(252.63)	-	(252.63)	
Other Comprehensive Income	-	-	-	-	-	-	
Transfer to General Reserve	-	-	-	-	-	-	
Transfer to Revaluation Reserve	-	-	2,401.08	-	-	2,401.08	
Transfer of Depreciation charged in the previous years to Retained Earnings	-	-	-	-	-	-	
Transactions with owners in their capacity as owners	-	-	-	760.87	-	760.87	
Dividend declared and paid during the year	-	-	-	-	-	-	
Balance as at 31st March 2018	65.85	18.00	4,730.77	(4,576.34)	-	238.28	

The accompanying notes are an integral part of the standalone Ind AS financial statements

As per our Report of even date

For Arockiasamy & Raj
Chartered Accountants
Regn.No.006850S

A. Nagarajan
Partner
Membership No.020680
Place : Chennai
Date: 30.05.2018

On behalf of the Board of Directors

Pradipt D Koithari
Chairman

J. Rafiq Ahmed
Vice Chairman &
Managing Director

Anil Kumar Padhiali
Company Secretary

V. Singaravel
Chief Financial Officer

Kothari Industrial Corporation Limited

NOTES TO ACCOUNTS

NOTES FORMING PART OF THE STANDALONE IND AS FINANCIAL STATEMENTS

1. Corporate Information

Kothari Industrial Corporation Limited (“KICL” or “the Company”) is a public limited company was incorporated under the provisions of the Indian Companies Act in July 1, 1970 and is a listed company. The Company is engaged in manufacturing and mixing of fertilisers and has a network of distributors in the southern states and has developed a brand value recognised in the market place. The company has planned to develop a Container Terminal at Ennore.

2. SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of preparation of standalone Ind AS Financial statements

(a) Statement of Compliance

These financial statements have been prepared in accordance with the generally accepted accounting principles in India and have complied in all material respects with the Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable and also complied with other relevant provisions of the Act and Interpretations issued by the Ind AS Transition Facilitation Group (ITFG) applicable to Companies reporting under Ind As and additional disclosures required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Financial statements up to the year ended March 31, 2017 which were prepared in accordance with the accounting standard notified under the companies (accounting standard) Rules, 2006 (as amended) and other relevant provisions of the Act. Have been reinstated as per Ind As.

The financial statements are the first financial statements of the Company under Ind As. Refer Note 33 for an explanation of how the transition from previous GAAP to Ind As has affected the Company’s financial position, financial performance and cash flow.

(b) Basis of measurement

These financial statements have been prepared under historical cost convention except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value

(c) Current versus non-current classification

The assets and liabilities have been classified as current or non current as per the Company’s normal operating cycle and other criteria set out in schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(d) Recent Accounting Pronouncements (effective from 1.4.2018)

(i) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

- (ii) Ind AS 115- Revenue from Contract with Customers
- (iii) Standards yet to be notified: Ind AS 116 - "Leases"

The above pronouncements, in the opinion of management may not have any significant impact on the financials of the Company; however the implication thereof will be examined in greater detail in the coming year and implemented accordingly.

2.2 Use of estimates and judgement

The preparation of financial statement in conformity with the generally accepted accounting principles requires the management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date, reported amounts of revenue and expenses for the year and disclosure of contingent liabilities as of the date of balance sheet. The judgement, estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date financial statements. Actual amounts could differ from these estimates.

2.3 Significant estimates and judgements

The areas involving significant estimates and judgements:

Defined Employee benefit Obligation - (Refer Note 42)

2.4 Property, Plant and Equipment

- (a) Freehold land is carried at cost. All other items of property, plant and equipment including intangibles are carried at cost less accumulated depreciation/amortisation losses, if any.

Subsequent expenditure relating to an asset is included in its book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of a component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

2.5 Depreciation

Depreciation on tangible assets is provided on Written Down value method based on all assets at the appropriate rates in accordance with Schedule II to the Companies Act, 2013. Cost of Intangible amortised over a period of ten years on written down value basis. Investment property is depreciated using the straight line method over its estimated useful life in line with rates specified in Schedule II to the Companies Act 2013.

2.6 Borrowing Costs

Borrowing costs attributable to acquisition or construction of qualifying assets are capitalized as part of the cost of assets up to the date such assets are ready for their intended use. Other borrowing costs are recognised as expense in the period in which they are incurred.

2.7 Impairment

The carrying values of assets/cash generating units at each Balance sheet date are annually reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on

Kothari Industrial Corporation Limited

an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of Profit and Loss.

2.8 Foreign Currency translation

i) Functional and presentation currency

The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Transaction and balances

Initial Recognition

Foreign currency transactions are recorded in functional currency using the exchange rate prevailing on the date of transaction

Subsequent recognition

As at the reporting date, monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences arising out of actual payment/realisation and from the year end restatement are recognised in the statement of Profit and Loss.

Forward Contracts

Foreign exchange forward contracts outstanding at the year-end on account of firms commitment / highly probable forecast transactions are marked to market and the gains / losses, if any, are recognised in the Statement of Profit and Loss. The Company does not enter into any speculative transactions in derivatives.

2.9 Inventories

Fertilizer mixtures are valued at lower of cost and net realizable value following first in first out method. Raw materials, Stores and Spare parts are valued at weighted-average cost basis.

2.10 Cash and Cash equivalents

Cash and Cash equivalents consists of all cash balances including demand deposits with banks with original maturities of three months or less.

2.11 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

2.12 Investments and other financial assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- a) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For Investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments,

this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt instruments when and only when its business model for managing those asset changes.

ii) **Measurement**

Initial recognition:

The Company measures a financial asset (in the case of a financial asset not carried at a fair value through profit or loss) at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets are carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

a. Equity Instruments

The Company subsequently measures all investments in equity (except that in the associate) at fair value and has elected to present fair value gains and losses on equity investments in other comprehensive income with no subsequent reclassification fair value gains and losses to profit or loss.

Investment in associates are measured at cost less provision for impairment.

b. Debt Instruments:

Company's investment in mutual funds (debt funds) are measured at Fair Value through Profit or Loss (FVTPL). A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss in the period in which it arises.

iii) **Impairment of financial asset:**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. Impairment is considered when there is significant increase in credit risk.

iv) **De-recognition of financial assets**

A financial asset is de-recognised only when:

- a) The Company's contractual right to the cash flow expires or
- b) The Company has transferred the rights to receive cash flows from the financial asset.

2.13 **Revenue recognition**

Revenue is recognised to the extent it is probable that the economic benefits full flow to the Company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it had pricing latitude and is also exposed to inventory and credit risks.

Kothari Industrial Corporation Limited

Sale of Products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Sale of services

Royalty income is recognised, on an accrual basis, at agreed rate on production of branded products by the licensee, in accordance with the terms of agreement.

2.14 Lease Rental Income

As a lessor

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight line basis.

2.15 Government Subsidy

Government Subsidy are recognised at fair value where there is a reasonable assurance that the subsidy will be received and all attached conditions will be complied with.

Government Subsidy relating to income are recognised in the statement of profit and loss over the periods in which the related costs, for which the grants are intended to compensate are recognised as expenses.

2.16 Employee benefits / Obligations

(i) Short term obligations

Liabilities for wages and salaries including non monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render their related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

(ii) Post employment obligations

The Company has the following post employment obligations / plans:

- a) Defined benefit plans such as gratuity for its eligible employees; and
- b) Defined contribution plans such as provident fund

a) Gratuity:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

Actuarial gains or losses are recognised in other comprehensive income. Further, the profit or loss not include an expected return on plan assets. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognised in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset.

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumption are recognised in the period in which they occur, directly in other comprehensive income (net of tax).

(b) Provident Fund:

This is a defined contribution plan, and contributions made to the Fund as per the rules of the Company are charged top rift and loss as and when due. The Company has no further obligations for future provident fund benefits other than monthly contributions.

2.17 Taxes on Income

Taxes on Income comprise current tax and deferred tax

The current tax expense for the period is the tax payable on the current period's taxable income computed at the applicable income tax rate and is recognised in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.18 Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingencies

Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are neither recognised nor disclosed in the financial statements.

2.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all potential equity shares.

2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief Operating Decision Maker ("CODM")

2.21 Dividend to Shareholders

Final dividend distributed to equity shareholders is recognised in the period in which it is approved by the members of the Company in the Annual General Meeting. Interim dividend is recognised when approved by the Board of Directors at the Board meeting. Dividend distributed (including interim dividend) is recognised in the Statement of changes in Equity.

Note 17 (a) Property, plant and equipment

Description of Assets	Freehold/Lease	Buildings hold Land	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Intangible Assets	Total
1. Gross Carrying value								
Deemed cost as at April 01,206	8.56	3,035.59	62.27	0.47	16.69	3,123.59	5.04	3,128.63
Additions	-	-	0.57	-	-	0.57	-	0.57
Disposals	-	-	0.10	-	20.20	20.30	-	20.30
Balance as at March 31, 2017	8.56	3,035.59	62.74	0.47	(3.50)	3,103.86	5.04	3,108.90
Additions*	5,669.82	-	18.44	-	-	5,668.26	-	5,668.26
Disposals	-	5,600.00	-	-	-	5,600.00	-	5,600.00
Balance as at March 31, 2018 (Deemed Cost)	5,678.38	(2,564.41)	81.18	0.47	(3.50)	3,192.12	5.04	3,197.16
II. Accumulated depreciation / Amortisation								
Balance as at April 01, 2016	-	-	11.03	0.15	3.41	409.22	2.02	411.23
Charge for the year	-	394.63	0.10	-	11.63	11.73	-	11.73
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	-	394.63	10.93	0.15	(8.22)	397.49	2.02	399.50
Charge for the year (Note-17(c))	-	20.79	23.61	0.10	2.50	46.99	1.21	48.20
Disposals**	-	3,161.97	-	-	-	3,161.97	-	-
Balance as at March 31, 2018	-	(2,746.55)	34.54	0.24	(5.72)	(2,717.49)	3.23	447.70
Net Carrying Value								
Balance as on March 31, 2018	5,678.38	182.14	46.64	0.23	2.22	5,909.61	1.81	2,749.46
Balance as on March 31, 2017	8.56	2,640.96	51.81	0.33	4.72	2,706.37	3.02	2,709.40
Balance as on April 01, 2016	8.56	3,035.59	62.27	0.47	16.69	3,213.59	5.04	3,128.63

17.1 Reconciliation of the gross carrying amount as per previous GAAP with the deemed cost as at April 1, 2016

Description of Assets	Freehold/Lease	Buildings hold Land	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Intangible Assets	Total
Gross carrying amount as per previous GAAP (A)	8.56	6,464.23	797.92	110.84	104.33	7,485.89	20.01	7,505.89
Accumulated Depreciation (B)		3,428.64	735.65	110.37	87.64	4,362.30	14.97	4,377.27
Deemed cost at April 1, 2016 (A)-(B)	8.56	3,035.59	62.27	0.47	16.69	3,123.59	5.04	3,128.63

* land addition includes reclassification of Land, classified as Stock in Trade in earlier years, of Rs. 69.82 Lakhs.

* includes value of land as carried in books, amounting to Rs. 5600 lakhs, earlier included in the Land and buildings, reclassified and properly disclosed under Land

** Depreciation provided against Revaluation reserve and accumulated profit and loss A/c has been reversed back to respective accounts.

With the introduction of IndAS which is effective for the company from 1st April 2016 and a re-allocation of the values of Kothari land and building has been made based on comprehensive valuation report by an approved valuer in 2012. The rates adopted by the valuer is as per guideline value of land by corporation which has not since changed. The value of the building as given by the valuer as on 2012 has been adopted on depreciated rates prescribed under the Companies Act and the "deemed cost" has been arrived on this basis. The aggregate carrying value of land and building is retained at Rs.6005 Lakhs. Accordingly, the company share of undivided land is arrived at Rs.5600 Lakhs and the building at Rs.405 Lakhs (is under charge in favour of lenders). These values are reflected as carrying value of the assets and the written down value is taken as "deemed cost". There is no change in the carrying value of the other fixed assets.

17.2

The company has entered into a sale agreement with M/s. Gemini Iron and Steel Pvt. Ltd. for sale of four floors consisting of Ground, First, Fourth and 5th Floor belong to the Company with undivided share of 6.33 grounds of land out of 9.5 grounds in Kothari Buildings, Chennai, for a total consideration of Rs.4500 Lakhs against which Advance received of Rs.2059.91 Lakhs. Refer Note 14

Rs. in lakhs

18.	31st March 2018	31st March 2017	1st April 2016
Investments			
Non-Current Investments			
Unquoted			
Investments in Equity instruments			
- 52000 shares of Katiken Logistics Ltd @ Rs.10 each	5.20	5.20	5.20
Less : Investment provision	(5.20)	-	-
Total	-	5.20	5.20

The Company is defunct and in verge of liquidation

19.	31st March 2018	31st March 2017	1st April 2016
Loans and Advances			
Non-Current Assets			
Secured considered good			
Capital Advances			
Security Deposits	208.22	102.67	101.94
Sub Total	208.22	102.67	101.94
Unsecured considered good/Doubtful			
- Rental Deposit	16.79	9.85	7.40
Sub Total	16.79	9.85	7.40
Advances recoverable in cash or in kind	-	19.82	0.89
	-	-	-
Other loans & advances	-	-	-
- Balances with Govt. Authorities	88.34	188.34	188.34
Sub Total	88.34	188.34	188.34
Total	313.35	320.68	298.56

20.	31st March 2018	31st March 2017	1st April 2016
Other non-current assets			
Others			
Long term deposits with Banks with maturity more than 12 months	-	0.50	0.50
Total	-	0.50	0.50

Kothari Industrial Corporation Limited

Current Assets

Rs. in lakhs

21.		31st March 2018	31st March 2017	1st April 2016
	Inventories			
	Work in progress			
	Finished goods	170.84	45.65	114.87
	Stock in trade (Land)	51.93	121.75	121.75
	Others			
	- Packing Materials	33.44	15.42	17.70
	Total	256.21	182.82	254.32

Details of Finished Goods Inventory

21.1		31st March 2018	31st March 2017	1st April 2016
	(i) Goods Manufactured			
	- NPK Mixtures	2.54	3.12	10.48
	(ii) Details of Traded goods			
	- Agro Products	13.74	1.18	0.12
	- Micro & Bio Products	25.26	2.11	0.33
	- ST. Fertilisers	19.02	18.63	56.49
	- NPK Mixtures	3.79	18.65	44.77
	- Pesticides	-	1.96	2.67
	- W.S.Fertilisers	106.49	-	-
		-	-	-
	Total	170.84	45.65	114.87

22.		31st March 2018	31st March 2017	1st April 2016
	Trade receivables			
	Unsecured, considered good			
	- Outstanding for a period exceeding 6 months from the date they are due for payment	496.21	235.51	290.64
	Unsecured, considered doubtful			
	- Outstanding for a period exceeding 6 months from the date they are due for payment	-	0.21	0.21
	Total	496.21	235.72	290.85

Rs. in lakhs

23.		31st March 2018	31st March 2017	1st April 2016
	Cash and cash equivalents			
	Balances with banks			
	- In current account	46.87	16.57	147.47
	- Cheques on hand	-	100.00	-
	Cash in hand	14.16	4.65	11.03
	Total	61.03	121.22	158.50

24.		31st March 2018	31st March 2017	1st April 2016
	Other Financial assets			
	Loans and advances unsecured and considered good	116.59	239.64	258.14
	- Advance Income Tax	156.49	136.20	120.13
	Total	273.08	375.84	378.27

Note No.	Particulars	31st March 2018		31st March 2017		1st April 2016	
25(a)	Share Capital						
	Authorised Share Capital						
	Equity Share of Rs.5 each	50,000,000	2,500.00	50,000,000	2,500.00	50,000,000	2,500.00
	Issued Share Capital						
	Equity Share of Rs.5 each	22,526,052	1,126.30	22,562,052	1,126.30	22,562,052	1,126.30
	Subscribed Share Capital						
	Equity Share of Rs.5 each	22,246,052	1,112.30	22,246,052	1,112.30	22,246,052	1,112.30
	Fully Paid up Share Capital						
	Equity Share of Rs.5 each	19,110,885	955.54	19,110,885	955.54	19,110,885	955.54
	Equity shares issued during the year						
	Equity Share of Rs.5 each	-	-	-	-	-	-
	Total	19,110,885	955.54	19,110,885	955.54	19,110,885	955.54

Note No.	Particulars	31st March 2018		31st March 2017		1st April 2016	
(a)	Equity Shares						
	At the beginning of the year	19,110,885	955.54	19,110,885	955.54	19,110,885	955.54
	issued during the year	-	-	-	-	-	-
	outstanding at the end of the year	19,110,885	955.54	19,110,885	955.54	19,110,885	955.54

(b) Rights, Preferences and restrictions attached to equity shares

Each shareholder is entitled to one vote per share and dividend when declared, Other rights are governed by the Articles of Association of the Company and the Companies Act, 2013.

Kothari Industrial Corporation Limited

Rs. in lakhs

(c) Details of Shares held by share holders holding more than 5% of the aggregate shares in the Company

	31st March 2018		31st March 2017		1st April 2016	
	Percentage	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares
Equity Shares						
Mr. Pradip D Kothari	17.09%	3,266,288	17.09%	3,266,288	17.09%	3,266,288
Life Insurance Corporation of India	7.70%	1,471,629	7.70%	1,471,629	7.70%	1,471,629
Mr. A. Sahabudeen	5.91%	1,129,793	5.91%	1,129,793	5.91%	1,129,793
Total		5,867,710		5,867,710		5,867,710

25.1 Additional Disclosures

Out of the Paid-up Capital

- (i) 22,25,850 Equity Shares of Rs.10/- each were allotted as fully paid on amalgamation in February 1972 for consideration other than cash.
- (ii) 8,29,760 Equity Shares of Rs.10/- each fully paid were allotted for consideration other than cash to certain financial institutions on conversion of part of secured loans, in the year 1981.
- (iii) 20,00,000 Equity Shares of Rs.10/- each fully paid were allotted for consideration other than cash on 01.10.1983 as per the terms of issue to the holders of 13.5% Convertible Secured Debentures issued to the Public.
- (iv) 45,68,200 Equity Shares of Rs.10/- each were allotted on 25.08.93 as fully paid on part conversion of 16% Secured Partly convertible Redeemable Debentures allotted on 25.02.93.
- (v) In accordance with the consent given by the shareholders at the 39th Annual General Meeting held on 14th December 2009, the company has allotted 66,27,000 equity share of Rs 5/ each aggregating to Rs 331.35 laksh to promoters and associates on 31st March 2016.

The face value of equity shares was reduced from Rs. 10/- per share to Rs. 5/- per share pursuant to the order dated 31st August, 2010 from the Madras High Court with effect from that date.

26.	31st March 2018	31st March 2017	1st April 2016
Reserves and Surplus			
Capital Reserves	65.85	65.85	65.85
Capital Redemption Reserves	18.00	18.00	18.00
Retained Earnings			
Debenture Redemption Reserves	-	-	-
Revaluation Reserves	4,730.77	2,329.69	2,329.69
Deficit	(4,576.34)	(5,084.58)	(4,514.64)
Total	238.28	(2671.04)	(2101.10)

Rs. in lakhs

26.1	Capital Reserves	31st March 2018	31st March 2017	
	Balance at the beginning of the year	65.85	65.85	
	Balance at the end of the year	65.85	65.85	
26.2	Capital Redemption Reserves	31st March 2018	31st March 2017	
	Balance at the beginning of the year	18.00	18.00	
	Balance at the end of the year	18.00	18.00	
26.3	Revaluation Reserves	31st March 2018	31st March 2017	
	Balance at the beginning of the year	2,329.69	2,329.69	
	Add : Transition adjustments	2,401.08	-	
	Less : Appropriations			
	Balance at the end of the year	4,730.77	2,329.69	
26.4	Deficit :	31st March 2018	31st March 2017	
	Balance at the beginning of the year	(5,084.58)	(4,514.64)	
	Add : transfer from revaluation reserve	-	-	
	Profit/(Loss) for the year	(252.63)	(569.94)	
	Less : Depreciation of prior year 2016 & 17	760.87	-	
	Deficit as at the end of the year	(4,576.34)	(5,084.58)	
27.	Non Current Borrowings	31st March 2018	31st March 2017	1st April 2016
	Secured			
	Term Loans			
	- From Banks	344.62	285.23	1,493.03
	- From Others	844.70	-	-
Total	1,189.32	285.23	1,493.03	

Secured by a charge on Company's share of 4 floors in Kothari Buildings and the undivided land.

The company has accepted liability of Rs.344.62 lakhs to HDFC Bank which has first charge on certain property of the company. The Madras High Court had determined a sum of Rs.709 Lakhs as amount payable by the company to HDFC Bank which has not been accepted by the Bank and the matter is under reference before the Supreme Court of India which is contested by the company. Pending adjudication, the additional liability is presently not quantifiable and hence not provided for in the accounts. The Company has acknowledged its liability (net of rent recoverable) at Rs. 344.62 lakhs only as per legal advice. Additional liability upon the decision of the Supreme Court in this regard.

Kothari Industrial Corporation Limited

Rs. in lakhs

28.	Provisions	31st March 2018	31st March 2017	1st April 2016
	Non Current - Due to Gratuity	-	-	-
	Current - Due to Gratuity	144.99	157.88	175.73
	Total	144.99	157.88	175.73
29.	Other Non current liabilities	31st March 2018	31st March 2017	1st April 2016
	Super Annuation Fund	-	-	93.46
	Others	420.82	924.73	960.92
	Total	420.82	924.73	1,054.38
30.	Bank / other Borrowings	31st March 2018	31st March 2017	1st April 2016
	Unsecured			
	Loans repayable on demand			
	- from Banks	7.15	855.14	7.15
- from others	-	-	31.19	
Total	7.15	855.14	38.34	
31.	Trade Payables	31st March 2018	31st March 2017	1st April 2016
	Total outstanding dues of micro and small enterprises	-	-	-
	Total outstanding dues of creditors other than micro and small enterprises	1,285.25	443.53	732.35
	Total	1,285.25	443.53	732.35
32.	Other Financial Liabilities	31st March 2018	31st March 2017	1st April 2016
	Current maturities of long term debt	-	-	2.59
	Interest accrued and due on borrowings	54.24	54.24	54.24
	Unclaimed Dividends	6.98	6.98	6.98
	Rent Deposit	137.52	137.52	137.52
	Statutory dues including PF and TDS	182.90	143.02	132.24
	Salaries & Wages Payable	98.95	114.84	124.00
	Others *	3,367.39	3,321.79	2,487.02
	Total	3,847.98	3,778.39	2,944.59

* Includes advance of Rs. 2059.91 Lakhs towards future sale of building (refer note 17.2 under Fixed Assets).

The issue of transfer of unclaimed/unencashed dividends of Rs.6.98 lakhs up to 1981-82 to Government is pending before the High Court of Judicature at Madras.

Rs. in lakhs

33.	31st March 2018	31st March 2017	1st April 2016
Contingent liabilities and commitments (to the extent not provided for)			
Contingent liabilities			
Claims against the company not acknowledged as debt	-	-	-
- Disputed sales tax demands under appeal including stay of recovery granted for Rs.854.65 lakhs (Rs.20.50 lakhs paid under protest included under advances) (Based on another Supreme Court order and legal Opinion such demands may not be sustainable)			
- Others(Exclusive of Interest)	145.00	145.00	145.00
Guarantees	7.00	7.00	7.00
Other money for which the company is contingently liable			
- Differential Customs Duty on Import machinery Availed under export obligation scheme	84.07	84.07	84.07
1. Pursuant to an arbitration award dated 30.09.2017 relating to additional electricity dues of Caustic Soda plant sold by the Company in the year 1986 . together with interest at 6% p.a.	231.37	-	-
The Company has challenged the award before the Madras High Court. Pending disposal of the case by the High Court.			
Total	467.44	236.07	236.07

Kothari Industrial Corporation Limited

Rs. in lakhs

34.		31st March 2018	31st March 2017
	Revenue from Operations (for companies other than a finance company)		
	Revenue from - Sale of Fertilisers	1,444.82	3,191.26
	Other operating revenue*	205.44	189.78
	Total	1,650.26	3,381.04

* Operating revenue includes Lease Rental Income

34.1	Particulars	31st March 2018	31st March 2017
	(i) Details of Sales (Finished goods)		
	- NPK Mixtures	27.99	205.74
	(ii) Details of Sales (Traded goods)		
	- Agro Products	312.02	302.26
	- Micro & Bio Products	146.85	79.98
	- ST. Fertilizers	356.76	760.67
	- NPK Mixtures	549.27	1831.73
	- Pesticides	-	10.20
	- Packing Materials	2.02	0.68
	- W.S. Fertilizers	49.90	-
	Total	1,444.82	3,191.26

35.		31st March 2018	31st March 2017
	Other Income		
	Interest on Deposits	0.55	1.52
	Royalty Receipts	22.10	15.98
	Miscellaneous income	69.82	-
	- Other Income	103.02	41.71
	Total	195.49	59.21

36.		31st March 2018	31st March 2017
	Cost of Materials consumed		
	Raw materials consumed	-	-
	Opening stock	-	-
	Add: Purchases (Net)	19.54	159.05
	Less: Inventory at the end of the year	-	-
	Cost of Materials consumed during the year	19.54	159.05
	Total	19.54	159.05

Rs. in lakhs

37.	31st March 2018	31st March 2017
Changes in inventory of finished goods and Work in progress		
(Increase)/decrease in stock		
Stock at the end of the year:		
Finished goods	170.84	45.65
Land held as stock-in-Trade	51.93	121.75
Less:-		
Total A	222.77	167.40
Stock at the beginning of the year:		
Finished goods	45.65	114.87
Land converted into Stock-in-Trade on 1st April 2007	160.27	160.27
Add: Land Converted into Stock-in-Trade	414.78	414.78
Less: Transferred on Sale of Land	(453.29)	(453.29)
Total B	167.41	236.62
Total B	(55.36)	69.22

Leasehold land held in as stock in trade Transferred back to Leasehold land of Rs. 69.82 Lakhs under Land.

38.	31st March 2018	31st March 2017
Employee Expense		
Salaries and wages	136.79	115.23
Gratuity	15.13	-
Contribution to PF & ESI	14.12	9.11
Staff welfare expenses	5.22	2.54
Total	171.26	126.88

39.	31st March 2018	31st March 2017
Finance Costs		
Interest	6.54	317.15
Other borrowing costs	-	-
Total	6.54	317.15

Interest for 2016-17 includes Interest on short term loan to Kotak Mahindra bank amounting to Rs. 2.48 crores.

Kothari Industrial Corporation Limited

Rs. in lakhs

40.		31st March 2018	31st March 2017
	Other Expenses		
	Consumption of stores and Packing Materials	12.65	18.95
	Power and fuel	11.36	6.96
	Rent	41.99	42.14
	Audit Fees		
	- Statutory Audit	3.00	2.75
	- Tax Audit	0.20	-
	Repairs to buildings	9.44	9.83
	Repairs Office and Others	8.17	10.09
	Insurance	5.14	1.50
	Rates & Taxes	2.32	6.16
	Travelling expenses	30.47	28.02
	Professional Charges	63.93	32.57
	Selling Expenses	154.37	256.89
	Loss on Sale of Asset	-	2.52
	Provision for diminution in the value of Investment	5.20	-
	Annual Listing Fee	14.05	-
	Other Manufacturing expenses	14.93	37.93
	Other Expenses	166.05	76.58
	Total	543.26	532.88
	Exceptional Items		
	Expenses	200.47	-
	Provisions and Credit balances written back	(89.62)	-
	Total	110.85	-

Exceptional items comprise of—

- a. Unrecoverable old loans and advances and deposits including electricity deposit relating to earlier years is Rs.200.47 lakhs.
- b. Old unclaimed trade payables and other sundry credit balances is Rs.89.62 lakhs.

Notes to Financial Statement as at and for the year ended 31st March 2018.

42. Employee benefit obligations

	March 31, 2018	Gratuity March 31, 2017	March 31, 2016
	Current	144.99	157.88
Non Current	-	-	-
Total	144.99	157.88	175.73

Other long-term employee benefits

Compensated absences

There is no scheme for encashment of earned leave.

Post employment benefits

(a) Defined contribution plan - Provident fund and Superannuation fund

Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The Obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Amount recognised in the statement of profit and Loss

	March 31, 2018	March 31, 2017
Provident Fund	11.70	9.84

(b) Defined benefit plan - Gratuity

The Company provides for Gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for 5 years are eligible for Gratuity. The amount of Gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days' salary multiplied by the number of years of service.

(i) Reconciliation Rs. in Lakhs

Opening Defined benefit obligation as on April 1, 2017	157.88
Transfer in/(out) obligation	-
Current service cost	3.53
Interest Cost	11.6
Total amount recognised in profit or loss	15.13
Components of actuarial gain/losses on obligation :	
Due to Change in financial assumptions	-
Due to Change in demographic assumption	-
Due to experience adjustments	(0.83)
Total amount recognised in other comprehensive income	(0.83)
Past service cost	-
Loss (gain) on curtailments	-
Liabilities assumed in an amalgamation in the nature of purchase	-
Exchange differences on foreign plans	-
Benefits paid	(27.19)
Closing Defined benefit obligation as on March 31, 2018	144.99

Kothari Industrial Corporation Limited

Expected Company contribution for the next year

(ii) Significant actuarial assumptions:

The significant actuarial assumptions were as follows:

March 31, 2018

Discount Rate	7.35%
Salary Growth Rate	7.00%
Withdrawal Rates	15% at younger ages reducing to 3% at older ages

The average outstanding term of the obligations (years) as at valuation date is 4.74 years.

(iii) Sensitivity to key assumptions

Discount rate	-0.49%
	0.52%
Salary growth rate	0.51%
	-0.50%

The above Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

43. Earnings / (Loss) per share - calculation of weighted average number of Equity Shares of Rs.5- each.

	March 31, 2018	March 31, 2017
Net Profit / (Loss) attributable to Shareholders	(253.46)	(569.94)
Number of shares of Rs.5/- each	19,110,885.00	19,110,885.00
Basic & Diluted Earnings (in Rupees) per Share	(1.32)	(2.98)

44. Related Parties Disclosure :

- (i) Name of the Key Management Personnel :

Mr. Pradip D. Kothari - Chairman & Managing Director (upto 28th September 2017)
Chairman (from 28th September 2017)

Mr. Rafiq Ahmed - Managing Director (with effect from 28th September 2017)

No remuneration was paid to both the Chairman and Managing Director during the year.

Mr. V. Singaravel - Chief Financial Officer (with effect from 1st August 2017)

Mr. Anil Kumar Padhiali - Company Secretary with effect from 19th March 2018).

Related parties under Ind AS 24 with whom transactions have taken place during the year:

Kothari (Madras) International Limited	Director	(up to 13th December 2017)
Gemini Fertilizers	Proprietor	(Effective from 21st April 2017)
Parveen Roadways Private Limited	Director	(Effective from 21st April 2017)
Gemini Legal Consultants Private Limited	Director	(Effective from 21st April 2017)
Gemini Iron and Steel Private Limited	Director	(Effective from 21st April 2017)
Top guard International Security Force Private Limited	Director	(Effective from 21st April 2017)

Transactions with related parties during the year along with balances as at year end:	Enterprise having significant influence
Nature of Transaction	31.03.2018 Amount (Rs. in lakhs)
a) Transaction during the year	
<u>Purchase of Raw Materials & finished goods</u>	
Kothari (Madras) International Limited	616.01
Gemini Fertilizers	151.72
<u>Royalty Income</u>	
Gemini Fertilizers	22.10
<u>Lease Rental Income</u>	
Gemini Fertilizers	12.00
Kothari (Madras) International Limited	30.00
Gemini Legal Consultants Private Limited	4.54
Top guard International Security Force Private Limited	0.86
<u>Service Income</u>	
Gemini Fertilizers	50.18
<u>Consultancy charges</u>	
Gemini Legal Consultants Private Limited	4.00
b) Balances outstanding as at year end	
<u>Trade Receivables</u>	
Gemini Fertilizers	
Kothari (Madras) International Limited	47.33
Gemini Legal Consultants Private Limited	4.63
Gemini Iron and Steel Private Limited	170.70
<u>Trade Payables</u>	
Gemini Fertilizers	166.02
<u>Borrowings</u>	
Parveen Roadways Private Limited	844.70
Advance Received towards building	
Gemini Iron and Steel Private Limited	2,059.91
Recoverable	
Gemini Iron and Steel Private Limited	220.00

Kothari Industrial Corporation Limited

45. Segment Information

45.1 The Directors of the Company have been identified as the Chief Operating Decision Makers (CODM) as

45.2 The business operation are restricted in India. The Company operates in India and foreign markets. The Company has opted to disclose segment information using quantitative threshold as per the Ind AS 108.

Rs. in lakhs

Sl.No.	Particulars	Twelve Months Ended	
		31.03.2018 (Audited)	31.03.2017 (Audited)
1	Segment Revenue (Net Sales/Income from Operations)		
	a. Fertilizer	1,444.82	3,191.25
	b. Rental from Property	205.44	189.78
	Total	1,650.26	3,381.03
	Less: Inter Segment revenue		
	Net Sales / Income from Operations	1,650.26	3,381.03
2	Segment Results (Profit before Tax and Interest)		
	a. Fertilizer	(247.44)	(373.53)
	b. Rental from Property	196.00	179.95
	Total	(51.44)	(193.58)
	Less:		
	(i) Unallocated Interest and finance charges	6.53	317.15
	(ii) Other unallocable expenditure net of unallocable Income	195.49	59.21
	Profit before tax	(253.46)	(569.94)
3	Segment Assets		
	a. Fertilizer	748.90	530.56
	b. Rental from Property	64.55	9.20
	Unallocated	7,275.88	4,189.64
	Total	8,089.33	4,729.40
4	Segment Liability		
	a. Fertilizer	1,914.57	1,130.85
	b. Lease Rent on property and others	137.52	137.52
	Unallocated	4,843.42	5,176.53
	Total	6,895.51	6,444.90
5	Capital Employed (3-4) Total Capital Employed	1,193.82	(1,715.50)

Note:- The Company's manufacturing infrastructure and other facilities are under lease to a related party as approved by the shareholders at the Annual General Meeting held on 28th September 2017. The Company is entitled to a monthly rent and royalty on the quantity produced at the factory. Accordingly the segment assets /liabilities relating to fertilizer division have been provided for information only.

46. Fair Value Measurements

(a) Financial instrument by category and hierarchy

Rs. in lakhs

Particulars	Hierarchy	Notes	31st March 2018			31st March 2017			31st March 2016			
			FVPL	FOCI	Amortized Cost	FVPL	FOCI	Amortized Cost	FVPL	FOCI	Amortized Cost	
Financial assets												
(i) Financial assets held at amortized cost												
Trade receivables	1	22			496.21							290.85
Cash and cash equivalents	1	23			61.03							158.50
Other financial assets	1	24			273.08							378.27
Financial liabilities												
(i) Financial liabilities held at amortized cost												
Borrowings	1	30			7.15							38.34
Trade payables	1	31			1,285.25							732.35
Other Financial liabilities	1	32			3,847.98							2,944.59

Hierarchy

level 1: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 1. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 1.

Fair value of financial assets and liabilities measured at amortised cost.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other financial assets and other financial liabilities (current) are considered to be the same as their fair values, due to their short-term nature and categorized as Level 1 hierarchy.

Kothari Industrial Corporation Limited

47. First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statement prepared in accordance with Ind AS (Refer note 2.1(a)) on the basis of preparation of financial statements. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018. the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 1, 2016 (The Company's date of transition).

In Preparing its first Ind AS financial statements in accordance with ind AS 101 - First-time Adoption of Indian Accounting Standards (Ind AS101), - First-time Adoption of Indian Accounting Standards (in AS 101). The Company has applied the relevant mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS. Material optional exemptions applied by the Company and applicable mandatory.

A. Optional exemptions and mandatory exceptions:

A.1 Ind AS optional exemptions

1. Deemed cost of property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of property, plant and equipment as recognised in the financial statements a at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments as required to be made as per Para 10 of Ind AS 101. This exemption can be used for investment Property and for intangible asses covered by Ind AS 38 - Intangible Assets.

The Company has elected to measure all of its property, plant and equipment including intangible assets and investment property at their previous GAAP carrying values after making the necessary adjustments as required to be made under Ind AS.

2. Revenue from contracts with customers

A first-time adopter is not required to restate contracts that were completed before the earliest period presented. A completed contract in a contract for which the entity has transferred all of the goods or services identified in accordance with previous GAAP.

Accordingly the Company has not restated the contracts completed in accordance with the previous GAAP.

A.2 Ind AS mandatory exceptions

1. Estimates

An Entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made as on the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

2. Classification and measurement of financial assets

Ind AS 101 required an entity to asses classification measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

B. Reconciliation between GAAP and Ind AS

Ind AS requires an entity to reconcile equity, total comprehensive income and cash flows for the periods. The following tables provide the reconciliations from previous GAAP to Ind AS.

a) Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016 Rs. in lakhs

Particulars	Note to first time adoption	As at 31st March 2017 (End of last period presented under previous GAAP)	As at 1st April 2016 (Date of transition)
Equity as reported under previous GAAP attributable to KICL Limited		(1,715.50)	(1,145.56)
Adjustments:		-	-
Equity as reported under Ind AS attributable to KICL Limited		(1,715.50)	(1,145.56)

b) Reconciliation of total Comprehensive Income for the year ended 31st March 2017

Particulars	Note to first time adoption	Year ended March 31, 2017
Profit / (Loss) for the period under previous GAAP		(569.94)
Add/(Less) :- IND AS adjustments	b.1	-
Net Profit / (Loss) for the period as per IND AS		(569.94)
Other Comprehensive Income (net of tax)		-
Total Comprehensive Income		(569.94)

b.1) Under the previous GAAP sale of products was presented net of excise duty. Under Ind AS revenue from sale of products is presented inclusive of excise duty up to 30th June 2017. Excise duty paid is separately presented as an expense on the face of the statement of profit and loss. As a result the total income and total expenses for the year ended 31st March 2017 by Rs. 2,05,582/-. However this change in presentation has no impact on the total equity or profit.

Kothari Industrial Corporation Limited

Rs. in lakhs

c) Reconciliation of Statement of Cash Flows for the year ended March 31, 2017

Particulars	Note to first time adoption	As at 31st March 2017 (End of last period presented under previous GAAP)	Effect of Transition to Ind As	Ind As
Net Cash flow from operating activities		784.43	-	784.43
Net Cash (used in) investing activities		7.01	-	7.01
Net cash flow (used in) financing activities		(828.72)	-	(828.72)
Cash and cash equivalents at the beginning of the year		158.50	-	158.50
Cash and cash equivalents at the end of the year		121.22	-	121.22

48.

Financial risk Management

The Company has at present no outside credit facilities. The working capital and other financial needs are funded periodically by the Vice Chairman and Managing Director out of credit obtained by him and hence the risk is not borne by the Company. As regards trading operation a close monitoring procedure is in place and marketing field team ensures recovery of receivables and no significant bad or doubtful debts are likely to occur in the future. The Financial risk in regards to manufacture of fertilizer is to the account of the lessee including overseas credit and settlement thereof.

3. In accordance with Accounting Standard 22 - "Taxes on Income", Deferred tax Asset is not recognised as a matter of prudence.
4. During the year the Company has undertaken a critical review of very old outstanding Liabilities and had determined that some of the amounts may not be realised or are payable. Accordingly the Company had charged off/ written back these amounts as per Ind AS in the books of accounts. Refer note no 41.
5. The company has accepted its liability of Rs.344.62 lakhs to HDFC Bank which has charge on the property of the company. The High Court had determined a sum of Rs.709 Lakhs as amount payable by the company to HDFC Bank which has not been accepted by the Bank and the matter is under reference before the Supreme Court of India which is contested by the company. Pending adjudication, the potential liability is presently not quantifiable and hence not provided for in the accounts.
6. The Proceedings initiated by collector of Nilgiris for repossession of certain plots of land in Coonoor earmarked for public use has been challenged by the Company on a writ petition filed before Madras High Court. The matter is pending Adjudication.

7. Trade Receivables include Rs.59.40 lakhs from erstwhile dealers in Andhra Pradesh and Karnataka, where the company has temporarily suspended trading operations. The company is reasonably confident of recovering all the above dues in the near future when the company's operation in the two states are resumed.
8. Land includes a property for which the Company had rights to establish an industry in Hyderabad. As part of the development of the industry, the Company has entered into a Memorandum of Understanding dated 27th March 2017 entered into between the company and certain individual wherein the Company for its share would contribute the land towards its share of the capital in a Limited Liability Partnership (LLP). Pending certain formalities associated with the development of the industry, the land is yet to be transferred to the LLP. The Company had received a refundable deposit of Rs. 125 lakhs from the individual, which may have to be refunded if the transaction could not be completed for want of meeting the terms of understanding between the parties and the compliances associated with the Land.
9. With regard to various pending legal claims which are under adjudication / and /or negotiation, the management does not anticipate any significant cash outflow and any possible claim is not quantifiable at present and accordingly no provision has been made in the accounts.
10. As per the records and information available with the company there are no amounts outstanding as on 31st March 2018 payable to :
 - (i) Small Scale Industries
 - (ii) Micro, Small and Medium Enterprises
11. Following the assignment of dues from Kotak Mahindra Bank and settling the dues in full and Assignee namely Parveen Roadways Private Limited has made a contingent claim on the company of Rs.5215 Lakhs being the debt originally indicated as in the Assignment Deed.
12. The Company has not provided for the interest payable on the loan taken from a party and the loan amount outstanding as on 31.03.2018 is Rs. 170 Lakhs. The Matter is under negotiation / settlement.
13. The Company has not accrued rent receivable from a tenant against whom the Company has initiated eviction proceedings. Pending the completion of legal process and the amount of rent that will be awarded as part of the completion of process, the Company has deferred the accrual of rent and will account for the same in the year of eviction or when the amount can be ascertained with certainty.
14. Pending decision of Supreme court on an appeal filed by first charge holder of immovable properties of the Company. The implementation of agreements dt. 18.02.2015 and 12.03.2015 are held in abeyance and appropriate action will be taken after disposal of said petition.
15. The Income tax Assessments have been completed up to the accounting year ended 31st March 2014. Most of the completed assessments include various disallowances which are under appeal before the Commissioner of Income Tax (Appeal). In view of the huge carry forward losses, for income tax purposes, there would be no cash outgo in regard to any of the past years.
16. The financial statements for the current year have been prepared in accordance with Ind AS and the corresponding figures of the previous years have been recast to make them comparable.

As per our Report of even date

For Arockiasamy & Raj
Chartered Accountants
Regn.No.006850S

A. Nagarajan
Partner
Membership No.020680
Place: Chennai
Date: 30.05.2018

On behalf of the Board of Directors

Pradip D Kothari
Chairman

J. Rafiq Ahmed
Vice Chairman &
Managing Director

V. Singaravel
Chief Financial Officer

Anil Kumar Padhiali
Company Secretary

KOTHARI INDUSTRIAL CORPORATION LIMITED

CIN: L24110TN1970PLC005865

Registered Office: "Kothari Buildings"

114/117, Mahatma Gandhi Salai, Nungambakkam, Chennai 600 034

Tel.no.+91 44 2833 4565 email: Mohandas@kotharis.in website: www.kotharis.in

ATTENDANCE SLIP - 48TH Annual General Meeting – 26TH SEPTEMBER 2018

Folio No..... Client ID No.....

Name of the Member Signature.....

I/We hereby record my/our presence at the 48TH Annual General Meeting of the company to be held on Wednesday, 26th September 2018 at 11.00 a.m. at company's Super Phosphate Factory at Kathivakkam, Ennore, Chennai 600057.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

Form No.MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN No.	CIN: L24110TN1970PLC005865	Name of the shareholder	
Name of the Company	Kothari Industrial Corporation Ltd	Registered Address	
Registered Office	"Kothari Buildings", 114/117, Mahatma Gandhi Salai, Nungambakkam, Chennai 600 034	E-mail ID	
		Folio No./Client ID	
		DP ID	
Name of the shareholder		Name of the shareholder	
Registered Address		Registered Address	
E-mail ID		E-mail ID	
Folio No./Client ID		Folio No./Client ID	
DP ID		DP ID	

I/We hereby declare and authorize Mr./Mrs.....as my/our proxy to attend and vote on behalf for me/us at the 48th Annual General Meeting of the company, be held on Wednesday the 26th September 2018 at 11.00 a.m. at company's Super Phosphate Factory at Kathivakkam Village, Ennore, Chennai 600057 and at any adjournment thereof in respect of such resolutions as are indicated below: Put tick mark for the resolutions (✓)

Sl.No.	Resolutions
	Ordinary Business / Ordinary Resolution
1	To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended 31st March 2018 and the Reports of Board of Directors and Auditors thereon.
2	To appointment a Director in place of Mr. Pradip D Kothari (DIN : 01315682), who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3	To re-appoint Auditors of the company for the period of five years and fix their remuneration.
	Special Business / Ordinary Resolution
4	Appointment of Mrs. Thooplamudu Arulpathy Rajalaxmi (DIN : 08148628) as an Independent Director of the company.
5	Approval of Material Related Party Transactions

Signed this 26th day of September 2018.

Signature of the Shareholder :

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the

Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Affix
Re.1/-
Revenue
Stamp

ROUTE MAP

