

# 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



To,  
The BSE Limited,  
P.J Towers,  
Dalal Street,  
Mumbai - 400 001

Date: 08<sup>th</sup> September, 2021

**Dear Sir/Madam,**

**Sub: Notice of the 51<sup>st</sup> Annual General Meeting (AGM) of the Company and Annual Report for the financial year 2020-21**

Pursuant to the provisions of SEBI (listing Obligation and Disclosure Requirements) Regulations 2015, please find enclosed herewith the Notice of the 51<sup>st</sup> Annual General Meeting (AGM) of the Company and Annual Report for the financial year 2020-21. The same is also available on the website of the Company: [www.kotharis.in](http://www.kotharis.in).

This is for your information and necessary records.

Thanking you,

Yours Faithfully,  
**For Kothari Industrial Corporation Limited**

*Anil Kumar Padhiali*  
**Anil Kumar Padhiali**  
**Company Secretary and Compliance Officer**





**51<sup>st</sup> Annual Report**  
2020-2021



# Kothari Industrial Corporation Limited



## BOARD OF DIRECTORS

<b>Mr. Pradip D. Kothari</b>	DIN 01315682	<b>Chairman</b>
<b>Mr. J. Rafiq Ahmed</b>	DIN 02861341	<b>Vice Chairman &amp; Managing Director</b>
Mr. Dilip Machado	DIN 06895289	Independent Director
Mr. D.Gunasekaran	DIN 07326495	Independent Director
Mrs. T.A. Rajalaxmi	DIN 08148628	Independent Director

## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Anil Kumar Padhiali

## CHIEF FINANCIAL OFFICER

Mr. V. Singaravel

## 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.

## INTERNAL AUDITOR

M/s. N. Ganesan Associates  
Chartered Accountants  
Lake View Building, 2nd Floor,  
TNSC Bank upstairs,  
New No.177/3, Old No.136  
Valluvarkottam High Road,  
Nungambakkam,  
Chennai - 600 034.

## SECRETARIAL AUDITOR

Santosh Senapati & Co.,  
Practicing Company Secretary

## EXECUTIVE TEAM:

Mr. P. Karthikeyan  
Executive Vice President

Mr. A. Sahabudeen  
Vice President

## REGISTERED OFFICE:

“Kothari Buildings”  
114, Mahathma Gandhi Salai,  
Chennai – 600 034.  
Tel.No.+91 044-28334565  
CIN No. L24110TN1970PLC005865  
Email: enquiries@kotharis.in  
Website: www.kotharis.in

## FACTORY:

Super Phosphate Factory,  
(under lease arrangement with  
Gemini Fertilizers)  
Ennore, Chennai-600 057.

## REGISTRARS:

**M/s. Integrated Registry Management  
Services Private Limited**

2nd Floor, “Kences Towers”,  
1, Ramakrishna Street, off North Usman Road,  
T. Nagar, Chennai 600 017.



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# KOTHARI INDUSTRIAL CORPORATION LIMITED

CIN No. L24110TN1970PLC005865

Regd. Office : "Kothari Buildings", 114, Mahathma Gandhi Salai, Nungambakkam, Chennai 600 034

Email: enquiries@kotharis.in | Website: www.kotharis.in | Tel.No.+91 044-28334565

## NOTICE TO MEMBERS

**NOTICE** is hereby given that the **51<sup>st</sup>** Annual General Meeting of the Company will be held at **11.00 a.m.** on **Thursday, 30<sup>th</sup> September, 2021** through video conferencing / Other Audio-Visual Means ("VC/OAVM") to transact the following business:

### ORDINARY BUSINESS

- To consider and adopt:
  - The Audited Standalone Financial Statements of the Company for the financial Year ended 31<sup>st</sup> March, 2021 and the Reports of Board of Directors and Auditors thereon.
  - The Audited Consolidated Financial Statements of the Company for the financial Year ended 31<sup>st</sup> March, 2021 and the Report of Auditors thereon.
- To appoint a Director in the place of Mr. Pradip D Kothari (DIN: 01315682), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. Approval of 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 party as mentioned below;

**Rs. in Lakhs**

Name of the Related Party	Nature of transactions	Transactions during the Financial Year 2020-21	Proposed transactions to be entered during the year 2021-22	From April 01, 2021 till the date of 52nd Annual General Meeting to be held in Calendar Year 2022
<b>Gemini Fertilizers</b>	Purchase of raw materials & finished goods	17.32	500.00	1000.00

**"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**

**PRADIP D KOTHARI**  
**CHAIRMAN**  
**DIN : 01315682**

**Place : Chennai**  
**Date : 13.08.2021**

**Important Notes:-**

1. **In view of the outbreak of the COVID-19 pandemic and pursuant to General Circular Nos.14/2020, 17/2020, 20/2020 and No.02/2021 dated 8th April 2020, 13th April 2020, 5th May 2020, and 13th January, 2021 respectively, issued by the Ministry of Corporate Affairs (MCA Circulars) and Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated 12th May 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/ CIR/P/ 2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (SEBI Circular) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the 51st AGM of the Company is being conducted through VC/OAVM Facility, which does not require the physical presence of members at a common venue.**
2. Central Depository Services (India) Limited (CDSL) will be providing facility for voting through remote e-Voting, for participation in the AGM through VC / OAVM Facility and e-Voting during the AGM.
3. Members may join the 51st AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 10.45 a.m. IST i.e., 15 minutes before the time scheduled to start the 51st AGM and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 51st AGM.
4. Members may note that the VC /OAVM Facility, provided by CDSL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and Auditors can attend the AGM without any restriction on account of the first-come first-served principle.
5. In compliance with the aforesaid MCA and SEBI Circulars, the notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.kotharis.in](http://www.kotharis.in), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com). The member holding shares in physical form and who have not registered their email id may register their email id by sending a signed request letter mentioning name, folio number, complete address, self-attested copy of PAN, self-attested copy of Driving Licence/ Passport/Bank Statement/Aadhar, supporting the registered address of the member, copy of the share certificate (front & back) and the email id to be registered to [yuvraj@integratedindia.in](mailto:yuvraj@integratedindia.in). For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
6. In terms of the MCA and SEBI Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, Members will not be entitled to appoint Proxy(ies) to attend and vote. However, in pursuance of section 112 and section 113 of the Companies Act, 2013, representatives of the members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the meeting held through VC.
7. The register of the members and share transfer books shall remain closed from 24.09.2021 to 30.09.2021 (Both days inclusive) for the purpose of AGM.
8. Attendance of members through VC shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
9. The statement pursuant to Section 102 of the Companies Act, 2013 setting out of material facts concerning the items of special business specified above is annexed hereto.
10. Members of the Company had approved the appointment of M/s. Arockiasamy & Raj, Chartered Accountants, as the Statutory Auditors at the 48th AGM of the Company for a period of five years. In accordance with the Companies (Amendment) Act,

## Kothari Industrial Corporation Limited

- 2017, effective 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
11. 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.
  12. Securities and Exchange Board of India (“SEBI”) has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company/RTA has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.
  13. Members holding shares in physical form are requested to register their email id for receiving an electronic copy of the Annual Report and also notify immediately any change in their address/E-mail address to the Company/its Share Transfer Agents.
  14. Members holding shares in electronic form are requested to advise change of address/E-mail address to their Depository Participants. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, are used by the Company for the payment of dividends in future if any. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
  15. Corporate members intending to make their authorised representatives to attend the Meeting through VC are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting held through VC.
  16. The Notice of the Annual General Meeting and the Annual Report will be available on the Company's website [www.kotharis.in](http://www.kotharis.in). The members who wish to inspect any of the relevant documents referred to in the accompanying notice may send the request to the email id of the Company i.e. [companysecretary@kotharis.in](mailto:companysecretary@kotharis.in). till 5.00 pm, 29th September, 2021 and Company will provide such documents through email.
  17. Pursuant to Section 72 of the Companies Act, 2013 and the Rules made there under the Members holding shares in single name may, at any time, nominate in form SH-13, any person as his/her nominee to whom the securities shall vest in the event of his/ her death. Nomination would help the nominees to get the shares transmitted in their favor without any hassles. Members desirous of making any cancellation/ variation in the said nomination can do so in form SH14. The nomination forms can be downloaded from the Company's website [www.kotharis.in](http://www.kotharis.in).
  18. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Company's Share Transfer Agents by sending a duly signed letter along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member printed on it. In alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
  19. **The instructions to shareholders for remote e-voting and e-voting during AGM and joining meeting through VC/OAVM are as under:**
    - (i) The voting period begins on **27<sup>th</sup> September 2021 at 09.00 a.m. and ends on 29<sup>th</sup> September 2021 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 of **23<sup>rd</sup> September 2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/ NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p>

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Type of shareholders	Login Method		<p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select "Register Online for IDeAS" "Portal" or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/EvotingEvotingLogin">https://evoting.cdslindia.com/EvotingEvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>		
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>	Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important** note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) 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.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(iv) Next enter the Image Verification as displayed and Click on Login.

(v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vi) If you are a first-time user follow the steps given below:

(vii)

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
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"> <li>• Members who have not updated their PAN with the Company/RTA/ Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name of the CAPITAL letters. Example, if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. (Sl. No. mentioned in your address label can be used as Sequence No. for this purpose)</li> </ul>
Dividend Bank Details	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>• 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).</li> </ul>

## Kothari Industrial Corporation Limited

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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 demat holders 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name **“KOTHARI INDUSTRIAL CORPORATION LIMITED”** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) 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.
- (xviii) **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.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email

address viz; nganesanassociates@yahoo.com & enquiries@kotharis.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**20. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 03 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at companysecretary@kotharis.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 03 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at companysecretary@kotharis.in. These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**21. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. **For Physical shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to company/rta email id viz:companysecretary@kotharis.in/yuvraj@integratedindia.in
2. **For demat shareholders** - Please update your email id & mobile no. with your respective depository Participant (dP).
3. **For individual demat shareholders** - Please update your email id & mobile no. with your respective depository Participant (dP) which is mandatory while e-Voting & joining virtual meetings through depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.



## Kothari Industrial Corporation Limited

### General:

- a) After dispatch of the notice, any person who acquires shares of the Company and becomes member of the Company as on the cut-off date i.e., Thursday, 23<sup>rd</sup> September 2021 may obtain the login ID and password by sending an email to yuvraj@integratedindia.in or companysecretary@kotharis.in or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote.
- b) The voting rights of a member shall be in proportion to his shares in the paid-up equity share capital of the Company as on the cut-off date of i.e., Thursday, **23<sup>rd</sup> September 2021**.
- c) M/s. N. Ganesan Associates, Practicing Chartered Accountant (Membership Number:023700) has been appointed as the Scrutinizer to scrutinize e-voting in a fair and transparent manner.
- d) 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 2 days from the conclusion of the AGM to the Chairman of the Annual General Meeting. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kotharis.in and website of CDSL <http://www.evotingindia.com> and also forward the same to Bombay Stock Exchange Limited, Mumbai simultaneously, where the Company's shares are listed.
- e) The profile of Director seeking reappointment forms an integral part of the Notice. The Director have furnished the requisite consent and declarations.
- f) Since the AGM shall be conducted through VC / OAVM, the route map, Proxy Form and Attendance Slip are not annexed to this Notice.

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

**Item No.3**

During the Financial Year 2020-21, 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 one of the related party i.e. Gemini Fertilizers, during Financial Year 2021-22.

Current and future transactions with all related party will be deemed to be material in nature as defined in Regulation 23 of SEBI (LODR) Regulations, 2015, as the transactions 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 in rules 15 (3) of the companies (meetings of Board and its Powers) Rules, 2014 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 party shall abstain from voting.

Particulars of the contracts/arrangements/transactions:

<b>Name of the Related Party</b>	<b>Gemini Fertilizers</b>
Name of Director(s) or KMP who is/are related	Rafiq Ahmed
Nature of Relationship	The Proprietor of Gemini Fertilizers is Mr. J. Rafiq Ahmed who is also Managing Director/KMP in Kothari Industrial Corporation Limited.
Nature of contracts / arrangements / transactions	Purchase of Raw Materials & finished goods
Material terms of the contracts / arrangements / Transactions	The transactions would be at arm’s length and at prices which would be competitive and not prejudicial to the interest of the company.
Monetary Value	Amount mentioned in the resolution for corresponding period
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm’s length basis	Yes
Whether the transactions have been/would be approved by the Audit Committee and the Board of Directors of the Company	Yes
Any other information relevant or important for the members to make a decision on the proposed transactions	None

The monetary value of the transaction proposed is estimated on the basis of the Company’s current transactions and future business. The transaction 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, none of the Directors or KMP or their relatives are interested in the resolution set out in item no.3.

The Board accordingly recommends the Ordinary Resolution set out at Item No. 3 of the accompanying Notice for approval of the Members.

By Order of the Board of Directors  
**For KOTHARI INDUSTRIAL CORPORATION LIMITED**

**PRADIP D KOTHARI**  
**CHAIRMAN**  
**DIN : 01315682**

**Place : Chennai**  
**Date : 13.08.2021**

## Kothari Industrial Corporation Limited

### ANNEXURE TO THE NOTICE

Particulars of the Director seeking Reappointment/Appointment in the forthcoming Annual General Meeting pursuant to pursuant to Reg. 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard -2 (SS-2) issued by the Institute of Company Secretaries of India.

I.

Name of the Director	Mr. Pradip D Kothari
Date of Birth	08.12.1947
Age	74
Date of Appointment	28.04.1972
Qualification	B.A
Expertise	Industrialist
Directorships in other companies	Kothari Marine International Limited
Membership / Chairman in other companies	Nil
Committee Membership	<b>Member</b> a) Audit Committee
Shareholding in Kothari Industrial Corporation Limited	3266288
Relationship with Other Directors, Manager and others Key Managerial Personnel of the Company.	Nil
Number of meetings attended during the year	Please refer Corporate Governance Section

## BOARD'S REPORT

### Dear Members,

Your Directors hereby present their 51<sup>st</sup> Annual Report on the business and operations together with the Audited Accounts of the Company for the year ended March 31, 2021.

### SUMMARY OF FINANCIAL RESULTS:

Particulars	Rs. in Lakhs	
	2020-21	2019-20
Total Revenue	1244.53	1,836.00
Total Expenses	1300.81	2,013.07
(Loss) before Depreciation, Interest, Exceptional Item and Tax	(56.28)	(177.07)
Depreciation	9.45	19.61
Interest	2.01	1.11
Profit/(Loss) before Exceptional Item and Tax	(67.74)	(197.79)
Exceptional Items (net)	0	(506.99)
Profit/(Loss) before Tax	(67.74)	(704.78)
Tax Expenses		
Profit/(Loss) for the year	(67.74)	(704.78)
Other Comprehensive Income	12.20	(14.81)
Total Comprehensive Income	(55.54)	(719.59)
Earnings per share	(0.35)	(3.69)

### DIVIDEND

The Board of directors of the company has not recommended any dividend for the year ended 31<sup>st</sup> March, 2021.

### PERFORMANCE

The performance of the company during the year under review is satisfactory and promising. Due to nation-wide lockdown imposed on account of Covid-19, turnover got affected as compare to the previous year. The Board of directors will thrive to improve the performance during the current year irrespective of the covid situation. The business plan of traded products of the company would augment the turnover and profitability of the company in the coming years. In addition the company during the year marketed health care products, which were in well received in market.

A detailed note on performance is furnished in the management discussion and analysis report.

### PROSPECTS

With the prospects of favourable monsoon during the balance of the current season, augmentation of supplies of traded goods from suppliers and reorientation of the marketing team, it is expected that the company would register better performance during the coming year.

### DIVERSIFICATION

The company has embarked upon marketing of sanitizers and face masks (health care products) the demand which is increasing due to COVID 19 incidence. These products are well received by hospitals and general public.

### SHARE CAPITAL:

The paid up equity share capital as on 31<sup>st</sup> March 2021 remains unchanged at Rs.955.54 lakhs.

## Kothari Industrial Corporation Limited

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

### REDUCTION OF SHARE CAPITAL

During the year under review, your Board of Directors at their meeting held on 31.10.2020, approved a Scheme of Reduction of share capital (the Scheme), to extinguish / cancel 66,27,000 equity shares of the Company held by Promoters group of the Company, as detailed in the Scheme which is posted on the Company's website. The Scheme was approved by the shareholders through a special resolution vide postal ballot dated June 30, 2021, and was taken on record by the stock exchanges (BSE – designated stock exchange for this purpose).

The Company is in process to file the application/scheme for reduction of capital before the NCLT, Chennai. Upon sanction of the Scheme by NCLT, the paid-up share capital of the Company stands reduced from 1,91,10,885 equity shares of ₹5/- each aggregating to ₹9,55,54,425 to 1,24,83,885 equity shares of ₹5/- each aggregating to ₹ 6,24,19,425.

### TRANSFER TO RESERVES

Your company has not transferred any amount to the reserves for the year ended 31<sup>st</sup> March, 2021 in the absence of profit.

### 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:

The details of remuneration of Directors and Employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure II** to this report..

A statement showing the remuneration of employees who were in receipt of remuneration as prescribed under Rule 5(2) & Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this report and will be provided to any member on a written request to the Company Secretary.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### A) Change in Board Constitution

- i) Mr. Pradip D Kothari, Director will retire at the forthcoming Annual General Meeting. He is eligible for re-election and offers himself accordingly, subject to the approval of the members at the ensuing Annual general meeting of the company.
- ii) Mr. Gunasekaran, independent director of the company reappointed for second term of 5 years at the 50<sup>th</sup> Annual General meeting of the company held on 30.09.2020.

#### B) Details with regards to meeting of Board of Directors 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 Machado	Director	Independent Director
Ms.Thoopjlamudu Arulpathy Rajalaxmi	Director	Independent Director

#### (ii) Board meeting:

During the year 06 Board Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between

two meetings was within the period as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



**(C) Policy on Directors' Appointment and Remuneration:**

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 posted on the website of the Company [www.kotharis.in](http://www.kotharis.in). 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:**

The following are Key Managerial Personnel:

Mr. J Rafiq Ahmed, Managing Director

Mr. Anil Kumar Padhiali, Company Secretary cum Compliance officer

Mr. V. Singaravel, Chief Financial Officer

**COMPOSITION OF BOARD'S COMMITTEES:**

Currently, the Board has three Committees: 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:**

Annual evaluation of the performance of the Board, its Committees and of individual directors has been made, 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 employees 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](http://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, hence the Company has not constituted any Corporate Social Responsibility Committee 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 a 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. Company has constituted the internal complaint committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. During the year under review, no complaints were received falling under the category of Sexual Harassment of Women.

**SECRETARIAL AUDITOR:**

PPursuant 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 M/s. Santosh Senapati & Co., Company Secretary in practice, Chennai to conduct the Secretarial

## Kothari Industrial Corporation Limited

Audit of the Company for the 12 months period ended on 31st March, 2021. The Secretarial Audit Report (in Form MR-3) is attached as **Annexure-III** to this Report..

Secretarial audit report does not contain any qualifactory adverse remarks.

### **STATUTORY AUDITORS & AUDITORS REPORT:**

At the 48<sup>th</sup> Annual General Meeting of the company held on 26<sup>th</sup> September 2018 M/s. Arockiasamy & Raj, Chartered Accountants, Chennai, were re-appointed as Statutory Auditors for a period of five years. The Independent Auditors' Report on the accounts for the financial year ended 31<sup>st</sup> March 2021 does not contain any qualification remarks. In the Audit Report has drawn attention to certain financial notes without however qualifying their report.

During the year under review, the statutory auditors have not reported to the Audit Committee under section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers of employees, the details of which would need to be mentioned in the Board Report.

### **COST RECORDS:**

Maintenance of cost records as specified by the Central Government under sub section 148(1) of the Companies Act 2013 is not required by the Company.

### **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. The disclosure pertaining to Energy conservation is not applicable to your Company.
- (ii) Foreign Exchange Earnings and Outgo: The Company has not earned or spent any foreign exchange during the year under review. The disclosure pertaining to Foreign Exchange Earnings and Outgo is not applicable to your Company.
- (iii) Research and Development & Technology Absorption: The Company is not directly engaged in manufacture. The disclosure pertaining to Research

and Development & Technology Absorption is not applicable to your Company.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors confirm that: -

- a) In the preparation of the Accounts for the Financial Year ended 31<sup>st</sup> March 2021 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 of the Company 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. The auditors have expressed an emphasis of matter on Going Concern in their Audit.
- 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 such systems are adequate and operating effectively.

### **SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES:**

Kothari Marine International Limited is an unlisted material subsidiary of the Company. The Company is holding 99.99 percent shares of that Company and does not have any Associate Company nor does it have Joint Venture with any entity. Consolidated Financial statements are applicable to your Company. The policy for determining material subsidiaries is available in our website at [www.kotharis.in](http://www.kotharis.in).

### **CONSOLIDATION FINANCIAL STATEMENTS:**

The Audited Consolidated financial statements of the company for the Financial Year ended 31<sup>st</sup> March 2021 together with the report of the Independent Auditors form part of the Annual Report.

Pursuant to first proviso to subsection (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rule, 2014 a statement containing salient features of financial statements of subsidiary is annexed as **Annexure IV**.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not invested or given any loan or guarantee or in terms of Section 186 of the Companies Act, 2013, during the financial year 2020-21.

### **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:**

In accordance with Section 92(3) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), a copy of the Annual Return of the Company shall be placed on the Website of the Company at <http://kotharis.in/wp-content/uploads/2021/08/ANNUAL-RETURN-2020-2021.pdf>.

### **RELATED PARTY TRANSACTIONS:**

During the year under review, the company has entered into any contract or arrangement in terms of section 188(1) of Companies Act, 2013 have been on arm's length and in ordinary course of business. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 is annexed as **Annexure-V**.

### **CORPORATE GOVERNANCE:**

The provision of Corporate Governance is not applicable on the Company in terms of Regulation 15(2) of SEBI (LODR) Regulations, 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- VI** 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 AUDITOR:**

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:**

The Company is listed in The Bombay Stock Exchange (BSE) and Calcutta Stock Exchange Limited (CSE). The Company has been suspended from trading due to penal reason and company has taken steps for revocation of suspension.

### **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, Financial Institutions, 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**

**PRADIP D KOTHARI**  
**CHAIRMAN**  
**DIN : 01315682**

**Place : Chennai**  
**Date : 13.08.2021**

# Kothari Industrial Corporation Limited

## Annexure I

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2021.

**1. INDUSTRY STRUCTURE, DEVELOPMENT:** India is the third largest producer and consumer of mineral fertiliser globally. Over the years, the Indian fertiliser industry has grown significantly on the back of favourable demand, government's support and increasing agricultural output. Presently, the Government is actively focusing on addressing balanced crop nutrition and improving soil health. 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 it's largest.

**2. OPPORTUNITIES & THREATS:** Government's vision to double farmer's income by 2022 is likely to increase agri inputs consumption. Improved awareness about soil health and sustainable practices to promote balanced organic fertilizer. Central and State governments' support towards drip and microirrigation adoption to improve the resource use efficiency and promote water soluble fertiliser usage. The Government is committed to encourage the healthy growth of Capital Market for development of the Economy.

**3. SEGMENT-WISE PERFORMANCE:** The Company's main business activity is trading of Fertilizers product and its related activities which fall under three reportable segments. The company has rentals income on its property leased out to various tenants subsequent to the close of the financial year. Major portion of the company's rentable space have been parted pursuant to the approval of the shareholders at the Extra-ordinary General Meeting held on 26<sup>th</sup> February 2019. Pursuant to the approval of the shareholders at the Extra-ordinary General Meeting of the company held on 26<sup>th</sup> February 2019, the company sold two floors of Kothari Buildings to M/s. Gemini Iron and Steel Pvt. Ltd and in July 2021 transferred remaining two floors to the financial creditor in full settlement of its claim. The rental income is likely to be significantly reduced going forward. The Company has majorly focused on quality and production. The company has embarked upon marketing of sanitizers and face masks (health care products) the demand

which is increasing due to COVID 19 incidence. These products are well received by hospitals and general public. During the year, the Company has recorded a total revenue of Rs. 1244.53 Lacs as compared to Rs. 1836.00 Lacs in the previous year.

**4. OUTLOOK:** The spread of the coronavirus pandemic is likely to result in severe contraction in the global economy resulting in job losses, weak demand environment and stress in financial markets. The Company continues to explore the possibilities of expansion and will make the necessary investments when attractive opportunities arise. Company will continue to focus on improving the quality of customer engagement, creating new infrastructure & strengthening existing operations, promoting a safe work environment, enabling culture for happy and satisfied employees, thereby enhancing its stakeholder's value creation. Overall, with a normal monsoon expectation and strengthened business processes, KICL expects to sustain its growth momentum in 2021-22. The company is exploring other significant business opportunities as part of diversification scheme which would generate financial outlay and the profitability of the company during the rest of the current financial year 2021-22.

**5. RISK & CONCERNS:** Risk management is a very important part of the Company's business policy. Risk Management structure spans across different levels and the Company, continuously identifies, classifies and formulates mitigation measures. The key risk management practices include risk assessment, measurement, monitoring, reporting, mitigation actions and integration with strategy and business planning. 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.

## 6. INTERNAL CONTROL SYSTEMS & THEIR ADEQUEACY :

Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. 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 2020-21.

## 7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

During the year, the Company has recorded a total turnover of Rs. 1244.53 Lacs as compared to Rs.1836.00 Lacs in the previous year. The Company has made net loss of Rs. (67.74) Lacs as compared to net loss of Rs. (704.78) Lacs of the previous year after providing

depreciation, tax, etc. for the year ended 31<sup>st</sup> March, 2021.

**8. HUMAN RESOURCE DEVELOPMENT :** Human resources are the most important resources in an organization and need to be used efficiently, because success, stability and growth of an organization depend on its ability in acquiring, utilizing and developing the human resources for the benefit of the organization. There were no incidents of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. 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.

Total number of employees as on 31<sup>st</sup> March 2021 was 40.

## 9. KEY FINANCIAL RATIOS:

Description	U/M	2020-21	2019-20	Remarks
Debtors Turnover	Days	153.35	122.84	Delay in collection due to Covid-19
Inventory Turnover	Days	29.83	17.45	Effected Due to Covid-19
Interest coverage ratio	Times	(32.70)	(636.38)	Lower earnings before tax
Current ratio	Times	0.26	0.28	In line with previous year
Debt Equity ratio	-	2.47	2.23	Due to decrease in other equity
Operating Profit Margin	%	-5	-10.77	Improved as compare to previous year
Net Profit Margin %	%	-5	-38	Net Loss is less as compare to previous year
Return on Net worth	%	-10	-122	Net Loss is less as compare to previous year

By Order of the Board of Directors  
**For KOTHARI INDUSTRIAL CORPORATION LIMITED**

**PRADIP D KOTHARI**  
**CHAIRMAN**  
**DIN : 01315682**

**Place : Chennai**  
**Date : 13.08.2021**



## Kothari Industrial Corporation Limited

### Annexure II

#### 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) The ratio of the remuneration of each Director to the median employee's remuneration for the financial year and such other details: No remuneration was received by any directors in the company during the financial year 2020-21. Mr. Gunasekaran received only sitting fees.
- (ii) There is no percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Manager, except Company Secretary, in the financial year:
- No remuneration received by the director, so the question of percentage increase in remuneration of each director doesn't arise. Mr. Gunasekaran received only sitting fees.
  - 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 Chief Executive Officer doesn't arise.
  - There is 10% increase of remuneration of CS in the financial year due to COVID-19.
- (iii) The percentage decreased in the median remuneration of employees in the financial year: 48.99%
- (iv) There were 40, permanent employees on the rolls of the Company as on 31.03.2021.
- (v) Average percentile increases 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 decrease in the salaries of employees other than the Managerial Personnel in the last financial year is 39.53 % and there is no percentile increase in the managerial remuneration.
- (vi) It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

By Order of the Board of Directors  
**For KOTHARI INDUSTRIAL CORPORATION LIMITED**

**PRADIP D KOTHARI**  
**CHAIRMAN**  
**DIN : 01315682**

**Place : Chennai**  
**Date : 13.08.2021**

**Form No.MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR 2020-21**

[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)

Registered Office: Kothari Buildings,

114, Mahatma Gandhi Salai,

Nungambakkam,

Chennai 600034.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kothari Industrial Corporation Ltd (CIN: L24110TN1970PLC005865) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report:

That in our opinion, the company has, during the period covering the financial year 2020-21 has complied with the applicable statutory provisions listed herein and also the company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year 2020-21 with respect to the provisions of-

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Rules framed there under;

- iv. Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI ACT) to the extent applicable to the company:
  - a. The securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations 1993;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, SEBI Regulations including LODR Regulations as under:

- i. As indicated in the year 2017-18 Annual Report, the Company has convened the annual General Meeting for FY 2015-16 on 28th September, 2017 and for FY 2016-17, on 30<sup>th</sup> December, 2017 for which permissions were not granted by ROC and

## Kothari Industrial Corporation Limited

the company made applications for compounding of offence with NCLT, Chennai and the same were pending before them and since there was no hearing for a long time, the company had withdrawn the said applications made with NCLT and has already filed fresh applications with the Regional Director, Ministry of Corporate Affairs, Shastri Bhavan, Chennai, as per the new norms prescribed under the Act. and the same is pending before the Regional Director, Ministry of Corporate Affairs, Shastri Bhavan, Chennai.

- ii. The Board of Directors of the company have approved a Scheme of Reduction of share capital (the Scheme), to extinguish / cancel 66,27,000 equity shares of the Company held by Promoters group of the Company, as detailed in the Scheme which is posted on the Company's website. The Scheme was approved by the shareholders through a special resolution vide postal ballot dated June 30, 2021, and was taken on record by the stock exchanges (BSE – designated stock exchange for this purpose). The Company is in process to file the application/scheme for reduction of capital before the NCLT, Chennai. Upon sanction of the Scheme by NCLT, the paid-up share capital of the Company stands reduced from 1,91,10,885 equity shares of ₹5/- each aggregating to ₹9,55,54,425 to 1,24,83,885 equity shares of ₹5/- each aggregating to ₹6,24,19,425.
- iii. The proceedings initiated by the 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 and the matter is pending adjudication.
- iv. The company's shares continue to be under suspension mode with BSE and steps have already been taken by the company to revoke the suspension for trading.
- v. 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 various labour laws, regulations, pollution control and other employee related enactments are the responsibilities of the Lessee and not of the company.
- vi. The company has transferred balance two floors of the building to a financial creditor in settlement of claim made by them.
- vii. The Statutory Auditors have drawn attention to the following points in their Report and Note to the Financial statement:

- a. That the Financial statement has been prepared on principles applicable to a Going Concern and the reasons for such an inference on this matter have been enumerated.
- b. There is no material impact on the company's trading operation on account of covid-19.

We have also examined the compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by "The Institute of Company Secretaries of India";
- ii. The Listing agreement entered into by the company with BSE read with the SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015.

We further report that:

- i. The Board of Directors of the company is duly constituted with proper balance of Executive, Non-Executive, and Independent Directors.
- ii. Adequate notice is given to all Directors to schedule the meetings, agenda and detailed notes on agenda were sent to directors at least even 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' views are captured and recorded as part of the minutes.

We 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.

**For SANTOSH SENAPATI & CO.,  
Company Secretaries**

**CS. SANTHOSH KUMAR SENAPATI  
Practicing Company Secretary  
(M.No. 43062)**

**(C.P. No. 16782)**

**Place : Chennai**

**Date : 12/08/2021**

**UDIN : A043062C000776300**

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**

**(Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we 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 the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our 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.

**For SANTOSH SENAPATI & CO.,  
Company Secretaries**

**CS. SANTHOSH KUMAR SENAPATI  
Practicing Company Secretary  
(M.No. 43062)  
(C.P. No. 16782)  
UDIN : A043062C000776300**

**Place : Chennai  
Date : 12/08/2021**

## Kothari Industrial Corporation Limited

### Annexure IV

#### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

#### Part "A": Subsidiary

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Kothari Marine International Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2020 to 31.03.2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	1000000
5.	Reserves & surplus	(38421)
6.	Total assets	1005779
7.	Total Liabilities	1005779
8.	Investments	0
9.	Turnover	0
10.	Loss before taxation	(45605)
11.	Provision for taxation	0
12.	Loss after taxation	(45605)
13.	Proposed Dividend	0
14.	% of shareholding	99.99

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: N.A
- Names of subsidiaries which have been liquidated or sold during the year. N.A

By Order of the Board of Directors  
**For KOTHARI INDUSTRIAL CORPORATION LIMITED**

**PRADIP D KOTHARI**  
**CHAIRMAN**  
**DIN : 01315682**

**Place : Chennai**  
**Date : 13.08.2021**

**Form 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 arm's 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.

**Rs. In Lakhs**

<b>Name of the Related party and nature of relationship</b>	<b>Nature of contracts/ arrangements/ transaction</b>	<b>Duration of the contracts/ arrangements/ transaction</b>	<b>Salient terms of the contracts or arrangements or transaction including the value, if any</b>	<b>Date of approval by the Board, If any</b>	<b>Amount paid as advances, if any</b>
Gemini Fertilizer- Managing Director of the Company is owner of the Proprietorship.	Lease Rent received by Kothari Industrial corporation Limited	As per Lease Deed	Rs.12.00	13.02.2020	Nil
	Raw Material and finished goods received by Kothari Industrial corporation Limited	2020-2021	Rs.17.32	13.02.2020	Nil

By Order of the Board of Directors  
For **KOTHARI INDUSTRIAL CORPORATION LIMITED**

**PRADIP D KOTHARI**  
**CHAIRMAN**  
**DIN : 01315682**

**Place : Chennai**  
**Date : 13.08.2021**



**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 and Three Non-executive Director cum 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, 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;

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
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	Director	Independent Director

**b. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS PERIOD ENDED 31.03.2021 AND AT THE LAST ANNUAL GENERAL MEETING, OUTSIDE DIRECTORSHIPS AND BOARD COMMITTEE MEMBERSHIPS AND NUMBER OF SHARES HELD AS ON 31.03.2021:**

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 Companies	Name of the Listed entities in which he/she is a Director	No. of Board Meetings attended during period ended 31/03/2021	No. of Committee Membership in other Public Limited Companies	Attendance Last AGM on 30/09/2020	No. of Shares held
Mr. Pradip D Kothari	Non-Executive Chairman	1	Nil	6	Nil	Yes	3266288
Mr. Rafiq Ahmed	Managing Director	12	Nil	6	Nil	Yes	Nil
Mr. Gunasekaran	Non Executive Independent Directors	1	Nil	6	Nil	Yes	1
Mr. Dilip Machadoo Machadoo	Non Executive Independent Directors	2	Nil	6	Nil	Yes	1
Ms.Thoopjlamudu Arulpathy Rajalaxmi	Non Executive Independent Directors	1	Nil	6	Nil	Yes	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:**

- Other directorships also include Private Limited Companies.

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

During the FY 2020-2021, 6 meetings of the Board of Directors of the Company were held i.e., on 31.07.2020, 28.08.2020, 15.09.2020, 31.10.2020, 13.11.2020, & 12.02.2021. 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	6
Mr. Rafiq Ahmed	6
Mr. Gunasekaran	6
Mr. Dilip Machadoo Machadoo	6
Ms.Thoopjlamudu Arulpathy Rajalaxmi	6

**d. Disclosure of relationships between directors inter-se:**

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

## Kothari Industrial Corporation Limited

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

Name of the Non-executive Directors	Category	Number of shares held by non-executive directors
Mr. Pradip D Kothari	Non-Executive Chairman	3266288
Mr. Gunasekaran	Non-Executive Independent Directors	1
Mr. Dilip Machadoo Machadoo	Non- Executive Independent Directors	1

### f. Familiarization Programme for 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.

Details of familiarization programme conducted for the Independent directors are available on the Company’s website [www.kotharis.in](http://www.kotharis.in).

### g. A chart or a matrix setting out the skills/ expertise/ competence of the Board of Directors specifying the following:

The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company which is currently available with the Board:

Skills	Description
Leadership and strategy and planning	Experience of playing leadership roles in large businesses, with competencies around strategy development & implementation, sales & marketing, business administration / operations and Organizations and people Management.
Financial Performance	Practical knowledge and experience in corporate Finance, accounting and reporting and internal financial control, including strong ability to assess the financial impact of decision making and ensure profitable and sustainable growth.
Sales and Marketing	Knowledge in Relationship building, Time management, product knowledge, collaboration, social selling and Business communication.
Governance	Experience in directing the management in the best interests of the Company and its stakeholders and in upholding high standards of governance.

The skills/ expertise/competence matrix of the Board of Directors with names are as follows;

Director	Leadership and Strategy and Planning	Financial Performance	Sales and Marketing	Governance
Mr. Pradip D Kothari	✓	✓	✓	✓
Mr. Rafiq Ahmed	✓	✓	✓	✓
Mr. Gunasekaran	✓	✓	✓	✓
Mr. Dilip Machadoo Machadoo	✓	✓	✓	✓
Ms.Thoopjlamudu Arulpathy Rajalaxmi	✓	✓	✓	✓

In the Opinion of the Board, the Independent director fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are Independent of the management.

**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

#### (c) Meetings and attendance during the year:

During the financial year under review, Audit Committee Meetings were held 6 times in a year viz., on 31.07.2020, 28.08.2020, 15.09.2020, 31.10.2020, 13.11.2020, & 12.02.2021 and the attendance of the members at the Audit Committee meetings was as follows:

Members	Attendance particulars	
	Meeting held during the year	Meeting attended during the year
Mr. Dilip Machado Machado	6	6
Mr. Pradip D Kothari	6	6
Mr. Gunasekaran	6	6

### 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

## Kothari Industrial Corporation Limited

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 28.08.2020 viz., the attendance of the members at the Nomination and Remuneration Committee meeting was as follows:

Name of the Director	Attendance particulars	
	Meeting held during the year	Meeting attended during the year
Mr. Dilip Machado Machado	1	1
Mr. Gunasekaran	1	1
Ms. Thoopjlamudu Arulpathy Rajalaxmi	1	1

### (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 remuneration policy is posted in the website [www.kotharis.in](http://www.kotharis.in).

No remuneration was paid to Managing Director. The Non-Executive Directors also didn't draw any remuneration in the capacity of Director from the Company except sitting fees for attending the meetings of the Board and committees.

Detail information of Directors Remuneration / Sitting fees paid during the financial year 2020-2021 as follows:

Name of the Director	Category	Sitting fees	Total
Mr. Pradip D Kothari	Non-Executive/ Chairman	Nil	Nil
Mr. Dilip Machado Machado	Independent director	Nil	Nil
Mr. Gunasekaran	Independent director	10811	10811
Ms.Thoopjlamudu Arulpathy Rajalaxmi	No-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 3 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
Ms.Thoopjlamudu Arulpathy Rajalaxmi	Member	Independent director

During the financial year under review, Stakeholder Relationship Committee Meetings were held 3 times in a year viz. 30.09.2020, 27.11.2020 & 20.01.2021 and the attendance of the members at the Stakeholder Relationship Committee meeting was as follows:

Name of the Member	Attendance particulars	
	Meeting held during the year	Meeting attended during the year
Mr. Dilip Machado Machado	3	3
Mr. Gunasekaran	3	3
Ms.Thoopjlamudu Arulpathy Rajalaxmi	3	3

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

(d) Shareholder Complaints:

No complaints were received during the period from 01-04-2020 to 31-03-2021.

**7. General Body meeting:**

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

AGM for the Year	Date & Time	Venue
2017-18	26.09.2018 11.00 a.m	Phosphate Factory at Ennore, Chennai - 600057 Company's Super

2018-19	30.09.2019 10.30 a.m	Phosphate Factory at Ennore, Chennai - 600057 Company's Super
2019-2020	30.09.2020 At 11.00 a.m	The Annual General meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

**The details of Special Resolution passed in AGM / EGM in the last 3 years are as follows :**

Date of AGM	Particulars of Special Resolution passed
26.09.2018	No special resolution passed
30.09.2019	Re-appointment of Mr. Dilip Machado Machado (DIN 06895289) as an Independent Director of the Company
30.09.2020	Re-appointment of Mr. DAKSHINAMOORTHY GUNASEKARAN (DIN: 07326495) as an Independent Director of the Company for the second term of 5 years

b) No special resolution was passed through postal ballot during the year 2020-2021.

**8. Means of Communication:**

Quarterly / half yearly results are disclosed to Stock Exchanges and also published in daily newspapers viz., Business standard (in English) and Makkal Kural (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:** 51<sup>st</sup> Annual General Meeting Date & Time: 30.09.2021 at 11.00 A.M.



## Kothari Industrial Corporation Limited

**Venue:** Not applicable as it will be held through Video Conferencing / Other Audio-Visual Means. The procedure and other details for joining AGM through VC/OAVM are mentioned in the Notes of the AGM Notice.

**(b) Financial Year:**

The financial year of the Company will be from 01.04.2020 to 31.03.2021

**(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 31<sup>st</sup> March, 2021 have been paid. Listing fee for the financial year 2021-2022 has not been paid.

The equity shares also listed on:  
Calcutta Stock Exchange Limited  
7, Lyons Range, Kolkata-700001  
Listing fees not been paid since 1998.

**(e) Stock Code:**

Bombay Stock Exchange – 509732  
Calcutta Stock Exchange – 021227

**(f) Market Price data:**

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

**(g) Performance in comparison to broad-based indices such as BSE sensx, CRISIL Index etc:**

Not Applicable

**(h) Reasons for Suspended from Trading:**

The Company has suspended from trading due to penal reason.

**(i) Registrars and Transfer Agents:**

M/s. Integrated Registry Management Services Pvt. Ltd.,  
II Floor, “Kences Towers”,  
1, Ramakrishna Street., off North Usman Road,  
T.Nagar, Chennai 600 017.

**(j) 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/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 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.

No physical transfer of share is permissible from 1<sup>st</sup> April 2019.

**(k) (i) Distribution of Shareholding as on 31<sup>st</sup> March, 2021:**

S.No.	No. of Shares	No. of Holders	%	Shares	%
1	Upto 5000	50983	99.83	4681098	24.49
2	5001-10000	22	0.04	147326	0.77
3	10001-20000	17	0.03	249920	1.31
4	20001-30000	12	0.02	283674	1.48
5	30001-40000	4	0.01	144383	0.76
6	40001-50000	4	0.01	170480	0.89
7	50001-100000	7	0.01	504044	2.64
8	Above 100001	24	0.05	12929960	67.66
<b>TOTAL</b>		<b>51073</b>	<b>100.00</b>	<b>19110885</b>	<b>100.00</b>

**(ii) Shareholding pattern as on 31st March, 2021:**

S.No.	Category	No. of Shares	%
<b>A</b>	<b>Promoters</b>	9305038	48.69
<b>B</b>	<b>Public shareholding</b>		
<b>1</b>	<b>Institutions</b>		
a)	Mutual funds	153580	0.80
b)	Financial Institutions/Banks	7561	0.04
c)	Insurance companies	2612909	13.67
2	Central Government/ State Government(s)/ President of India	4367	0.02
<b>3</b>	<b>Non Institution</b>		
a)	Resident	6464992	33.83
b)	Bodies Corporate	446964	2.34
	NBFC	20	0.00
c)	HUF	42095	0.22
d)	Trusts	1456	0.01
e)	NRI	66747	0.35
f)	LLP	4350	0.02
g)	MARGIN TRADING ACCOUNT-CORPORATE	576	0.00
h)	Corporate Client Collateral Account	230	0.00
	<b>Total</b>	<b>19110885</b>	<b>100.00</b>

**(i) 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.

34.92% of the Company's Equity Share Capital of the Company is held in dematerialized form as on 31<sup>st</sup> March, 2021.

**(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 shares and related issues at the following address:

**Integrated Registry Management Services Private Limited**

CIN No. U74900TN2015PTC101466

2nd Floor, "Kences Towers"

No. 1 Ramakrishna Street, North Usman Road

T Nagar, Chennai - 600 017

Phone: 044-28140801 to 28140803

Fax : 044-28142479

Email: yuvraj@integratedindia.in

## Kothari Industrial Corporation Limited

Investors may also contact the company for matters related to shares and related issues at the following address:

### Registered office address:

Kothari Buildings, 114, Mahatma Gandhi Salai,  
Nungambakkam High Road, Chennai-600034

Email Id: enquiries@kotharis.in,

companysecretary@kotharis.in

Phone: 044-28334565

Website: www.kotharis.in

### 10. Other Disclosures:

a) As required under applicable SEBI Regulations, your Company has adopted a Policy on Related party transactions and the same have been approved by the Board of Directors and the same is available on our website www.kotharis.in.

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

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. No person has been denied access to the Chairman of the Audit Committee. The Policy on vigil mechanism is available on our website www.kotharis.in.

### d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 to the extent applicable and will ensure to comply with non-mandatory requirements in coming years.

### e) Policy for Determining Material Subsidiaries:

The Policy on Identification of Material Subsidiaries is available on our website www.kotharis.in

### f) 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.

### g) Disclosure of commodity price risks and commodity hedging activities:

Not Applicable

### h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

During the financial year 2020-21, Company has not raised any fund through preferential allotment or qualified institutions placement.

### i) Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

No such instance occurred

### j) Statutory Auditor fee particulars:

The particulars of total fee paid for the year 2020-2021 by the Company to the Statutory Auditor is given below:

Sl No.	Description of the Service	Fees (Amount in Rs.)
1	Statutory Audit Fee	3,00,000/-

### k) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year: Nil

b. number of complaints disposed of during the financial year: Not Applicable

c. number of complaints pending as on end of the financial year: Not Applicable

**11. Instances of Noncompliance, if any:**

Company has not paid listing fees of BSE Limited for the financial year 2021-2022 and listing fees of Calcutta stock exchange Limited since 1998.

**12. 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](http://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. 2020-2021 is with unmodified audit opinion.

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

Company appointed separate post of chairperson such as Mr. Pradip D Kothari. The Company during the FY 2020-2021 did not have any CEO. As on the date of this report Mr. Rafiq Ahmed is the Managing Director of the Company.

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

**A. CEO / CFO Certification: Mr. Vimalanathan Singaravel,** Chief Financial Officer and Mr. Rafiq Ahmed, Managing Director of the Company have certified to the Board regarding the financial statements for period ended 31-03-2021 in accordance with Regulation 17(8) of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

**B. Certification from Company Secretary in Practice:**

M/s. Santosh Senapati & Co., Practicing Company Secretaries, has issued a certificate as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed which forms part of this report.

**14. 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  
DIN : 01315682

Place : Chennai  
Date : 13.08.2021

## Kothari Industrial Corporation Limited

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

I, 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 31<sup>st</sup> March, 2021.

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place : Chennai  
Date : 13.08.2021

J RAFIQ AHMED  
MANAGING DIRECTOR  
DIN : 02861341

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### COMPLIANCE CERTIFICATE 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.

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For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place : Chennai  
Date : 13.08.2021

J. RAFIQ AHMED  
MANAGING DIRECTOR  
DIN : 02861341

VIMALANATHAN SINGARAVEL  
CHIEF FINANCIAL OFFICER

### **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 2021 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.

**For SANTOSH SENAPATI & CO.,  
COMPANY SECRETARIES**

**CS. SANTOSH KUMAR SENAPATI  
PRACTICING COMPANY SECRETARY**

**(M.No. 43062)**

**(C.P. No. 16782)**

**UDIN : A043062C000776333**

**Place : Chennai  
Date : 12/08/2021**



## Kothari Industrial Corporation Limited

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS** **[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the** **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To  
The Members of  
Kothari Industrial Corporation Limited  
Kothari Buildings, Nungambakkam High Road,  
Chennai-600034

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kothari Industrial Corporation Limited having CIN-L24110TN1970PLC005865 and having registered office at Kothari Buildings, Nungambakkam High Road, Chennai-600034 (herein after referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C

Subclause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

SL.No	Name of Director	DIN	Date of appointment in Company
1	Pradip Dayanand Kothari	01315682	28/04/1972
2	Jinnah Moideen Ahmed Rafiq	02861341	21/04/2017
3	Dilip Machado Machado	06895289	31/03/2015
4	Gunasekaran	07326495	30/10/2015
5	Thoopjlamudu Arulpathy Rajalaxmi	08148628	11/06/2018

Ensuring the eligibility of and for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these

based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SANTOSH SENAPATI & CO.,  
COMPANY SECRETARIES**

**CS. SANTOSH KUMAR SENAPATI  
PRACTICING COMPANY SECRETARY  
(M.No. 43062)  
(C.P. No. 16782)**

**UDIN : A043062C000776333**

**Place : Chennai  
Date : 12/08/2021**

## Independent Auditor's Report

### To the Members of

### **KOTHARI INDUSTRIAL CORPORATION LIMITED**

#### **Report on the Standalone 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, 2021, 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.

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 Companies Act 2013 (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, 2021, and loss, changes in equity and its cash flows for the year ended on that date.

#### **Basis of Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that

are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS Financial Statements.

#### **Material Uncertainty Related to Going Concern**

The company has generated negative cash flows and incurred substantial operating losses during the current year and earlier years. Its current liabilities far exceeds its current assets. In order to continue the company is apparently dependent on the infusion of sufficient funds and restructuring of operations. There is, thus, in our opinion, existence of material risk as to the company's ability to continue as going concern. Based on the funds infused, business plans and the diversification programmes of the management, the company is reasonably assured to carry on the operations as a going concern. On this basis the company has prepared the financial statements on going concern basis. **Our conclusion is not qualified in respect of these matters.**

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined any matters to be the key audit matters to be communicated in our report.

Continued...

## Kothari Industrial Corporation Limited

Key Audit Matter	Auditor's Response
<p><b><u>Revenue recognition under Ind AS 115</u></b></p> <p>The sales of various products traded by the company are generally on credit terms. The credit terms varies according to the nature of products namely, Straight Fertilizers, NPK Mixtures, Agro Products, Micro Bio Products, Water Soluble Fertilizers etc. and relationship with the customers.</p> <p>Most of the customers are long standing relationship with the company and are being serviced by Field Officers. The credit period varies according to the products mentioned above and also the credit worthiness of the customers. The credit period generally ranges from 30 to 120 days which is normal trade practice.</p> <p>There is however no standard policy.</p>	<p><b><u>Our procedures included:</u></b></p> <p>It is noticed during the audit that the company has effective control through field officers to monitor the quantum of sales including types of products and value of goods sold on credit. The field officers are in constant touch with the customers and monitor recovery of dues and supply by goods on credit is conditioned by overdues from the customers. There is no procedure of charging overdue interest on overdue accounts, but this is taken into account would affect the credit rating of the customers. The above procedure has been broadly reviewed to our satisfaction.</p> <p>The company has recently evolved effective online control system ensuring better supervision at the field level, regional office etc.</p>

### INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Without qualifying our report we draw attention to the following:**

1. The financial statement has been presented on principles applicable to a going concern despite accumulated losses and consequent erosion of net worth, there is also significant mismatch between current liability and current assets therefore there is material uncertainty in fulfilling the gabs within reasonable time. Significant amount of moneys being made available from time to time by associate companies of Managing Director for working funds and settlement of old creditors and would continue to do so. Further, the business plan envisaged by management provides for large scale expansion with injection of finance.(Refer Note No. 3).
2. No provision has been created in the accounts against loss that may arise due to the claim raised by the Government against the Coonoor property. (Refer Note No. 4).

3. Arbitration Award against the Company regarding additional electricity dues of erstwhile Caustic Soda plant which is challenged by the Company before Madras High Court and pending Adjudication. (Refer Note No.5).

## **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 RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

## Kothari Industrial Corporation Limited

attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation

precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 purposes 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 A". Our report expresses

an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year.

- h) 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, as amended 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 standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(A. Nagarajan)  
Partner  
Membership No. 020680

Place : Chennai  
Dated : 30.06.2021



## **Kothari Industrial Corporation Limited**

### **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Kothari Industrial Corporation Limited** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause

(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls over financial reporting of KOTHARI INDUSTRIAL CORPORATION LIMITED (“the Company”) as of March 31, 2021 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**

2. 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 on 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 respective 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.

### **AUDITOR’S RESPONSIBILITY**

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of

the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

4. 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.
5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

6. 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 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**

7. 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**

8. 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, 2021, 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.

Place : Chennai  
Dated : 30.06.2021

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For **M/s. Arockiasamy & Raj**  
Chartered Accountants  
Firm Reg.No.006850S  
(A. Nagarajan)  
Partner  
Membership No. 020680

## Kothari Industrial Corporation Limited

### ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1(f) 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, 2021:

#### 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, Goods and Service Tax, Duty of Customs, and any other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us, the extent of arrears of undisputed amount outstanding as on 31st March 2021 for a period of more than six months from the date they became payable, as certified by the Management is as under

**Rs.**

Income Tax (TDS)*	57,41,930
Professional Tax	18,73,571

(c) According to the information and explanations given to us, There are no disputed dues of Income Tax, Customs Duty, Cess and other material statutory dues except the following.

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 defaulted in repayment of loans or borrowings to Financial Institutions and subsequently settled the matter thru court, NCLT proceedings and assignments. 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.

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

(A. Nagarajan)  
Partner

Membership No. 020680

Place : Chennai  
Dated : 30.06.2021

# Kothari Industrial Corporation Limited

## KOTHARI INDUSTRIAL CORPORATION LIMITED STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2021

Rupees in Lakhs

Particulars	Note No	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	12(a)	2,658.49	2,666.20
(b) Capital Work in Progress		-	0.65
(c) Intangible assets	(b)	-	1,517.38
(d) Property held for sale	13	1,517.38	778.03
(e) Deferred tax asset		778.03	-
(f) Miscellaneous Expenditure		-	-
(g) Financial Assets			
(i) Investments	14	9.99	9.99
(ii) loans and advances	15	219.93	95.27
(iii) Other non-current assets		-	-
<b>Non-Current Assets</b>		<b>5,183.82</b>	<b>5,067.52</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	16	149.07	135.64
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	17	499.62	589.27
(iii) Cash and cash equivalents	18	19.44	30.43
(iv) Other Financial assets	19	508.33	488.69
(c) Other Current Assets		-	-
<b>Current Assets</b>		<b>1,176.46</b>	<b>1,244.03</b>
<b>TOTAL ASSETS</b>		<b>6,360.28</b>	<b>6,311.55</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	20	955.54	955.54
(b) Other Equity	21	(420.97)	(365.43)
(c) Monitory Interest		-	-
<b>Equity</b>		<b>534.57</b>	<b>590.11</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	22	1,294.70	1,294.70
(ii) Other Financial liabilities			
(b) Provisions	23	23.55	23.95
(c) Deferred tax Liabilities (Net)		-	-
(d) Other non-current liabilities		-	-
<b>Non Current Liabilities</b>		<b>1,318.25</b>	<b>1,318.65</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables	24	9.07	-
Total outstanding dues of micro enterprises and small enterprises		9.07	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		727.81	730.36
(iii) Other Financial liabilities	25	3,668.52	3,567.16
(b) Other Current liabilities		-	-
(c) Provisions	26	102.06	105.27
(d) Current Tax Liability (Net)		-	-
<b>Current Liabilities</b>		<b>4,507.46</b>	<b>4,402.79</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,360.28</b>	<b>6,311.55</b>
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>CONTINGENT LIABILITIES</b>	27		

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<sup>th</sup> June 2021

On behalf of the Board of Directors

**Pradip D Kothari**  
Chairman  
DIN : 01315682

**J. Rafiq Ahmed**  
Vice Chairman &  
Managing Director  
DIN : 02861341

**Anil Kumar Padhiali**  
Company Secretary

**V. Singaravel**  
Chief Financial Officer

**Standalone Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021**
**Rupees in Lakhs**

Particulars	Note No	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Revenue from operations	28	1,188.38	1,750.95
Other Income	29	56.15	85.05
		<u>1,244.53</u>	<u>1,836.00</u>
<i>Expenses:</i>			
Cost of materials consumed	30	-	-
Purchase of Stock-in-Trade		956.32	1,325.89
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	31	(13.42)	(3.12)
Excise Duty		-	-
Employee benefits	32	113.89	165.54
Financial costs	33	2.01	1.11
Depreciation and amortization expense	12(c)	9.45	19.61
Other expenses	34	244.02	524.76
		<u>1,312.27</u>	<u>2,033.79</u>
Profit / (Loss) before exceptional and extraordinary items and tax		(67.74)	(197.79)
Exceptional Items			
Exceptional Items - Others	35	-	-
Exceptional Items - Profit on sale of asset		-	674.51
- Compensation		-	(1,182)
Profit before extraordinary items and tax		(67.74)	(704.78)
Extraordinary Items		-	-
Profit / (Loss) before tax		(67.74)	(704.78)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit for the year from continuing operations		<u>(67.74)</u>	<u>(704.78)</u>
Profit/(Loss) from discontinuing operations			
Tax expense of discounting operations			
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the year		<u>(67.74)</u>	<u>(704.78)</u>
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Re-measurement of gains and (losses) on defined benefit obligation		12.20	(14.81)
<b>Total Comprehensive Income for the year</b>		<u>(55.54)</u>	<u>(719.59)</u>
Earning per equity share:			
(1) Basic		(0.35)	(3.69)
(2) Diluted		(0.35)	(3.69)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

2

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<sup>th</sup> June 2021**
**On behalf of the Board of Directors**
**Pradip D Kothari**  
**Chairman**  
**DIN : 01315682**
**Anil Kumar Padhiali**  
**Company Secretary**
**J. Rafiq Ahmed**  
**Vice Chairman &**  
**Managing Director**  
**DIN : 02861341**
**V. Singaravel**  
**Chief Financial Officer**

**A) EQUITY SHARE CAPITAL**

Equity shares of Rs. 5 each issued, subscribed and fully paid (Refer Note No. 20 a)	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
<b>Equity Shares</b>				
Balance as at the beginning of the year	1,91,10,885	955.54	1,91,10,885	955.54
Add : Shares issued during the year	-	-	-	-
Balance as at the end of the year	<b>1,91,10,885</b>	<b>955.54</b>	<b>1,91,10,885</b>	<b>955.54</b>

**B) OTHER EQUITY (Refer Note 21 a)**

	Reserves and Surplus						Total
	Capital Reserves	Capital Redemption Reserves	Revaluation Reserve	Retained Earnings	Other Reserves FVOCI equity Instruments		
Balance as at April 1, 2017	65.85	18.00	2,329.69	(5,084.58)	-	(2,671.04)	
Profit / (Loss) for the year	-	-	-	(252.63)	-	(252.63)	
Transfer to Revaluation Reserve	-	-	2,401.08	-	-	2,401.08	
Transfer of Depreciation charged in the previous years to Retained Earnings	-	-	-	760.87	-	760.87	
Balance as at March 31, 2018	65.85	18.00	4,730.77	(4,576.34)	-	238.29	
Balance as at April 1, 2018	65.85	18.00	4,730.77	(4,576.34)	-	238.29	
Profit / (Loss) for the year	-	-	-	115.87	-	115.87	
Balance as at March 31, 2019	65.85	18.00	4,730.77	(4,460.47)	-	354.16	
Balance as at April 1, 2019	65.85	18.00	4,730.77	(4,460.47)	-	354.16	
Transfer from Revaluation Reserve	-	-	(1,349.91)	1,349.91	-	-	
Profit / (Loss) for the year	65.85	18.00	3,380.86	(719.59)	-	(719.59)	
Balance as at March 31, 2020	65.85	18.00	3,380.86	(3,830.15)	-	(365.43)	
Balance as at April 1, 2020	65.85	18.00	3,380.86	(3,830.15)	-	(365.43)	
Transfer from Revaluation Reserve	-	-	-	(55.54)	-	-	
Profit / (Loss) for the year	65.85	18.00	3,380.86	(3,885.79)	-	(55.54)	
Balance as at March 31, 2021	65.85	18.00	3,380.86	(3,885.79)	-	(420.97)	

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<sup>th</sup> June, 2021

On behalf of the Board of Directors

Pradip D Kothari  
Chairman  
DIN : 01315682

J. Rafiq Ahmed  
Vice Chairman &  
Managing Director  
DIN : 02861341

V. Singaravel  
Chief Financial Officer

Anil Kumar Padhiall  
Company Secretary



## STANDALONE CASH FLOW STATEMENT

	31 <sup>st</sup> March 2021 Rs Lakhs	31 <sup>st</sup> March 2020 Rs Lakhs
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT/(LOSS) BEFORE TAX	(67.74)	(704.78)
ADJUSTMENTS FOR		
Depreciation and amortization expense	9.45	19.62
Finance Cost	2.01	1.11
Compensation	-	1,181.50
Profit and Sale of Property	-	(674.51)
Interest Income	(7.77)	-
Discount Received	(1.14)	-
Foreign Exchange Fluctuation Gain	(0.09)	-
Provision No Longer Required	(13.55)	-
	<u>(11.09)</u>	<u>527.72</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	(78.83)	(177.06)
ADJUSTMENTS FOR		
<b>MOVEMENT IN WORKING CAPITAL :</b>		
Inventories	(13.42)	24.98
Trade Receivables	90.79	(89.33)
Other Financial Assets	(19.64)	22.35
Short Term Provisions	8.60	10.66
Trade Payables	6.61	(408.46)
Financial Liabilities	114.92	(1,982.17)
Current Liabilities		
	<u>187.86</u>	<u>(2,421.97)</u>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	109.03	(2,599.03)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale / (Purchase) of Property, Plant and equipments, Intangibles	(1.10)	2,363.00
Interest Received	7.77	-
Net Advances Paid		
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>	<u>6.67</u>	<u>2,363.00</u>

<b>C) CASH FLOW FROM FINANCE ACTIVITIES</b>		
Long Term Borrowings	-	-
Advances	(124.68)	234.58
Interest Paid	(2.01)	(1.11)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<u>(126.69)</u>	<u>233.47</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	(10.99)	(2.56)
<b>CASH AND CASH EQUIVALENT OPENING BALANCE</b>	<b>30.43</b>	<b>32.99</b>
<b>EFFECT OF EXCHANGE DIFFERENCES ON RESTATEMENT OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS</b>	-	-
<b>CASH AND CASH EQUIVALENT CLOSING BALANCE</b>	<u><b>19.44</b></u>	<u><b>30.43</b></u>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	3.74	4.64
Balances on Current Accounts	15.70	25.79
Cheques on Hand		
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u><b>19.44</b></u>	<u><b>30.43</b></u>

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.006850S

A. Nagarajan  
Partner  
Membership No.020680  
Place: Chennai  
Date: 30<sup>th</sup> June, 2021

For and on behalf of the Board

Pradip D Kothari  
Chairman  
DIN : 01315682

J. Rafiq Ahmed  
Vice Chairman &  
Managing Director  
DIN : 02861341

Anil Kumar Padhiali  
Company Secretary

V. Singaravel  
Chief Financial Officer

## **NOTES ON 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.

The financial statement has been presented on principles applicable to a going concern despite accumulated losses and consequent erosion in net worth, on the fact that significant amount of moneys being made available from time to time by associate companies of the Managing Director for working funds and settlement of old creditors and would continue to do so. Further, the business plan envisaged by management provides for large scale expansion with injection of finance.

#### **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.

###### **(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..

##### **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

## **Kothari Industrial Corporation Limited**

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 36)

### **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 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 or 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

## **Kothari Industrial Corporation Limited**

### **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 (FCTPL). 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 from Contracts with Customers**

Revenue from contracts with customers is recognised when the Company satisfies performance obligation by transferring promised goods to customers. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue from Fertilizer sales is recognised when the significant risks and rewards of ownership in the goods are transferred to customers and recovery of the consideration is probable.

### **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. Revenue is net of returns and allowances, trade discounts and volume rebates and Goods and Services Tax.

### **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 rendered 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 plan 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 does 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 to profit 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



## **Kothari Industrial Corporation Limited**

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.

### **2.22 Recent Accounting pronouncements to be effective from 1st April 2019**

#### **Ind AS 116 Leases:**

The Ministry of Corporate Affairs has notified the Ind AS 116. Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Company is currently evaluating the requirements of Ind AS 116 on the financial statements. The Company believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

### **Amendment to Ind AS 12 'Income Taxes':**

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendments will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

### **Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

### **Amendment to Ind AS 19 'Employee Benefits':**

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Note 12 (a) Property, plant and equipment

Description of Assets	Rs. in Lakhs						
	Freehold/Lease hold Land	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Total
<b>1. Gross Carrying value</b>							
Deemed cost as at March 31, 2017	8.56	2,640.96	51.81	0.33	4.72	2,706.37	2,709.40
Additions	5,669.82	-	18.44	-	-	5,688.26	5,688.26
Disposals	-	2,438.03	-	-	-	2,438.03	2,438.03
<b>Balance as at March 31, 2018</b>	<b>5,678.38</b>	<b>202.93</b>	<b>70.25</b>	<b>0.33</b>	<b>4.72</b>	<b>5,956.60</b>	<b>5,959.62</b>
Additions*	-	24.98	3.13	-	-	28.10	28.10
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>5,678.38</b>	<b>227.91</b>	<b>73.37</b>	<b>0.33</b>	<b>4.72</b>	<b>5,984.70</b>	<b>5,987.73</b>
Additions*	-	-	-	-	-	-	-
Transfer to Property held for Sale*	1,440.00	112.39	-	-	-	1,552.39	1,552.39
Disposals	1,598.40	113.95	-	-	-	1,712.35	1,712.35
<b>Balance as at March 31, 2020</b>	<b>2,639.98</b>	<b>1.57</b>	<b>73.37</b>	<b>0.33</b>	<b>4.72</b>	<b>2,719.96</b>	<b>2,722.99</b>
Additions*	-	-	1.10	-	-	1.10	1.10
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>2,639.98</b>	<b>1.57</b>	<b>74.47</b>	<b>0.33</b>	<b>4.72</b>	<b>2,721.06</b>	<b>2,724.08</b>
<b>II. Accumulated depreciation / Amortisation</b>							
Balance as at April 01, 2017	-	-	-	-	-	-	-
Charge for the year	-	20.79	23.61	0.10	2.50	46.99	48.20
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>20.79</b>	<b>23.61</b>	<b>0.10</b>	<b>2.50</b>	<b>46.99</b>	<b>48.20</b>
Charge for the period	-	26.93	18.06	0.08	1.39	46.46	47.19
Disposals**	-	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>47.72</b>	<b>41.66</b>	<b>0.18</b>	<b>3.89</b>	<b>93.45</b>	<b>95.39</b>
Charge for the year Note 16(C)	-	11.71	7.15	0.15	0.17	19.18	19.61
Transfer to Property held for Sale*	-	35.00	-	-	-	35.00	35.00
Disposals	-	23.86	-	-	-	23.86	23.86
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>0.57</b>	<b>48.81</b>	<b>0.33</b>	<b>4.06</b>	<b>53.77</b>	<b>56.14</b>
Charge for the period	-	0.90	7.25	-	0.65	8.80	9.45
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>1.47</b>	<b>56.06</b>	<b>0.33</b>	<b>4.71</b>	<b>62.57</b>	<b>65.59</b>
<b>Net Carrying Value</b>							
Balance as on March 31, 2021	2,639.98	0.10	18.41	0.00	0.00	2,658.49	2,658.49
Balance as on March 31, 2020	2,639.98	1.00	24.56	0.00	0.65	2,666.20	2,666.84
Balance as on March 31, 2019	5,678.38	180.19	31.71	0.15	0.83	5,891.25	5,892.34
Balance as on March 31, 2018	5,678.38	182.14	46.64	0.23	2.22	5,909.61	5,911.42
Balance as on April 01, 2017	8.56	2,640.96	51.81	0.33	4.72	2,706.37	2,709.40

Note 13 Property, plant and equipment

*Property for held for sale Net Carrying Value	1,440.00	77.38					1,517.38
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Rs. in Lakhs

14.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Investments</b>		
	<b>Non-Current Investments</b>		
	<b>Unquoted</b>		
	Investments in Equity instruments		
	99994 shares of Kothari Marine International Limited @ Rs. 10 each	9.99	9.99
	- 52000 shares of Katiken Logistics Ltd @ Rs.10 each	5.20	5.20
	Less: Investment provision	(5.20)	(5.20)
	<b>Total</b>	<b>9.99</b>	<b>9.99</b>

The Company is defunct and in verge of liquidation

15.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Loans and Advances</b>		
	<b>Non Current Assets</b>		
	Secured considered good		
	Capital Advances		
	Security Deposits	219.93	95.27
	Sub Total	219.93	95.27
	Unsecured considered good/Doubtful		
	- Rental Deposit	-	-
	Sub Total	-	-
	Advances recoverable in cash or in kind	-	-
	Other loans & advances	-	-
	- Balances with Govt. Authorities	-	-
	Sub Total	-	-
	<b>Total</b>	<b>219.93</b>	<b>95.27</b>

**Current Assets**

16.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Inventories</b>		
	Work in progress		
	Finished goods	66.62	55.68
	Stock in trade(Land)	51.93	51.93
	Others		
	- Packing Materials	30.52	28.04
	<b>Total</b>	<b>149.07</b>	<b>135.64</b>

## Kothari Industrial Corporation Limited

### Details of Finished Goods Inventory

Rs. in Lakhs

16.1		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	(i) Goods Manufactured		
	- NPK Mixtures	-	-
	(iii) Details of Traded goods		
	- Agro Products	1.15	17.19
	- Micro & Bio Products	0.77	8.15
	- ST. Fertilisers	3.98	15.60
	- NPK Mixtures	6.29	9.81
	- Pesticides	1.69	1.69
	- W.S.Fertilisers	-	3.24
	- Sanitizer Products	46.84	
	- Mask Products	5.90	
	- Marine Products	-	-
	<b>Total</b>	<b>66.62</b>	<b>55.68</b>
17		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Trade receivables</b>		
	Secured Considered good	191.02	199.50
	Unsecured, considered good	308.78	389.95
	Unsecured considered doubtful	65.00	65.00
	-Others	-	-
	Less : Provisions	(65.18)	(65.18)
	<b>Total</b>	<b>499.62</b>	<b>589.27</b>
18		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Cash and cash equivalents</b>		
	(as per Cash Flow Statement)		
	Balances with banks		
	- In current account	15.71	25.79
	- Cheques on hand	-	-
	Cash in hand	3.73	4.64
	<b>Total</b>	<b>19.44</b>	<b>30.43</b>
19		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Other Financial assets</b>		
	Loans and advances unsecured and considered good	324.50	311.57
	Advance Income tax	183.83	177.12
	<b>Total</b>	<b>508.33</b>	<b>488.69</b>

Note No.	Particulars	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
		No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
20(a)	<b>Share Capital</b>				
	Authorised Share Capital Equity Share of Rs.5 each	5,00,00,000	2,500.00	5,00,00,000	2,500.00
	Issued Share Capital Equity Share of Rs.5 each	1,91,10,885	955.54	2,25,62,052	1,126.30
	Subscribed Share Capital Equity Share of Rs.5 each	1,91,10,885	955.54	2,22,46,052	1,112.30
	Fully Paid up Share Capital Equity Share of Rs.5 each	1,91,10,885	955.54	1,91,10,885	955.54
	Equity shares issued during the year	-	-	-	-
	Equity Share of Rs.5 each	-	-	-	-
	<b>Total</b>	<b>1,91,10,885</b>	<b>955.54</b>	<b>1,91,10,885</b>	<b>955.54</b>

The amount of issued, subscribed and paid up of the Company appearing in the notes to accounts of Financial as on 31.03.2021 is Rs.9,55,54,425 (No. of shares 19110885).

The amount of issued and subscribed Capital of the Company appearing in the notes to accounts of Financial for the financial year 2017-18 till the financial year 2019-20 is incorrect.

The Board of Directors of Company realized that the aforesaid inaccurate representation of the equity share capital appears only in the notes to accounts for the financial year 2017-18, till the financial year 2019-20.

The Board of Directors State that the incorrect numbers are only reflected in the notes to account of the financial statements and not in the Balance sheet.

The Board of directors shall file an application for seeking the permission of this Hon'ble Tribunal (NCLT, Chennai) for rectification of its Financial Statements for the Financial Year 2017-18, till Financial Year 2019-20 or as any other period that the Hon'ble NCLT may direct.

The Board of Directors of the Company at its meeting held on 31.10.2020, have approved a Scheme of Reduction of share capital (the Scheme), to extinguish/ cancel 66,27,000 equity shares of the Company held by Promoters group of the Company, as detailed in the Scheme which is posted on the Company's website. The Scheme was approved by the shareholders through a special resolution vide postal ballot dated June 30, 2021, and was taken on record by the stock exchanges (BSE – designated stock exchange for this purpose).

The Company is in process to file the application/scheme for reduction of capital before the NCLT, Chennai. Upon sanction of the Scheme by NCLT, the paid-up share capital of the Company stands reduced from 1,91,10,885 equity shares of ₹5/- each aggregating to ₹9,55,54,425 to 1,24,83,885 equity shares of ₹5/- each aggregating to ₹6,24,19,425.

#### **a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year**

Note No.	Particulars	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
		No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
(a)	<b>Equity Shares</b>				
	At the beginning of the year	1,91,10,885	955.54	1,91,10,885	955.54
	issued during the year	-	-	-	-
	outstanding at the end of the year	<b>1,91,10,885</b>	<b>955.54</b>	<b>1,91,10,885</b>	<b>955.54</b>

## Kothari Industrial Corporation Limited

### (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.

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

	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	Percentage	No. of Shares	Percentage	No. of Shares
<b>Equity Shares</b>				
Mr. Pradip D Kothari	17.09%	32,66,288	17.09%	32,66,288
Life Insurance Corporation of India	7.70%	14,71,629	7.70%	14,71,629
Mr. A. Sahabudeen	5.91%	11,29,793	5.91%	11,29,793
<b>Total</b>		<b>58,67,710</b>		<b>58,67,710</b>

### 20.1 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 39<sup>th</sup> Annual General Meeting held on 14<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> August, 2010 from the Madras High Court with effect from that date.

- (vi) The consent terms filed on 05.03.2000 with the Supreme Court and decreed by the said Court in the matter of share allotment and sale of 5.33 grounds of land effects of the decree has not been considered in the books of accounts of the company, since the consent decree terms are yet to be implemented. A suit has since been filed in Madras High Court for implementation of the scheme.

Rs. in Lakhs

21	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Reserves and Surplus</b>		
Capital Reserves	65.85	65.85
Capital Redemption Reserves	18.00	18.00
Retained Earnings	1,349.91	1,349.91
Debenture Redemption Reserves	-	-
Revaluation Reserves	3,380.86	3,380.86
Deficit	(5,235.59)	(5,180.05)
<b>Total</b>	<b>(420.97)</b>	<b>(365.43)</b>



21.1		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Capital Reserves</b>		
	Balance at the beginning of the year	65.85	65.85
	Balance as at the end of the year	<b>65.85</b>	<b>65.85</b>
21.2		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Capital Redemption Reserves</b>		
	Balance at the beginning of the year	18.00	18.00
	Balance as at the end of the year	<b>18.00</b>	<b>18.00</b>
21.3		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Revaluation Reserves</b>		
	Balance at the beginning of the year	4,730.77	4,730.77
	Less : Transition adjustments	(1,349.91)	-
	Less : Appropriations	-	-
	Balance as at the end of the year	<b>3,380.86</b>	<b>4,730.77</b>
21.4		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Deficit:</b>		
	Balance at the beginning of the year	(5,180.05)	(4,460.47)
	ADD : transfer from revaluation reserve	-	-
	Profit/(Loss) for the year	(55.54)	(719.58)
	Less : Depreciation of prior year 2016 & 17	-	-
	Deficit as at the end of the year	<b>(5,235.59)</b>	<b>(5,180.05)</b>
22.		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Non Current Borrowings</b>		
	Secured		
	Term Loans		
	- From Banks	-	-
	- From Others	1,294.70	1,294.70
	<b>Total</b>	<b>1,294.70</b>	<b>1,294.70</b>
Secured by a charge on Company's share of 4 floors in Kothari Buildings alongwith the undivided share of land.			
23.		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Provisions</b>		
	Non Current - Due to Gratuity	23.55	23.95
	<b>Total</b>	<b>23.55</b>	<b>23.95</b>
24.		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Trade Payables</b>		
	Total outstanding dues of micro and small enterprises	9.07	-
	Total outstanding dues of creditors other than micro and small enterprises	727.81	730.36
	<b>Total</b>	<b>736.88</b>	<b>730.36</b>

## Kothari Industrial Corporation Limited

Rs. in Lakhs

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company. The required disclosures are given below:

	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Principal amount due and remaining unpaid	9.07	-
Interest due and unpaid on the above amount	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act, 2006	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-

25.	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Other Financial Liabilities</b>		
Current maturities of long term debt	-	-
Interest accrued and due on borrowings	-	23.30
Unclaimed Dividends	6.98	6.98
Rent Deposit	93.21	141.73
Statutory dues including PF and TDS	139.69	173.49
Salaries & Wages Payable	112.99	105.35
Others	3,315.65	3,116.31
<b>Total</b>	<b>3,668.52</b>	<b>3,567.16</b>

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.

26.	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Provisions</b>		
Provision for Income tax AY. 2020-21	-	-
Current - Due to Gratuity	102.06	105.27
<b>Total</b>	<b>102.06</b>	<b>105.27</b>

27.	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
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)		
Guarantees	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
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	231.37
The Company has challenged the award before the Madras High Court by paying 60 Lacs as Court Deposit. Pending disposal of the case by the High Court.		
<b>Total</b>	<b>322.44</b>	<b>322.44</b>

28.	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Revenue from Operations (for companies other than a finance company)</b>		
Revenue from - Sale of Fertilisers (Refer Note (i))	1,102.22	1,556.18
Other operating revenue (Refer Note (ii))	86.16	194.76
<b>Total</b>	<b>1,188.38</b>	<b>1,750.95</b>

Note :- (i) Includes Revenue from Contracts with Customers

Note :- (ii) Operating revenue includes Lease Rental Income

## Kothari Industrial Corporation Limited

Rs. in Lakhs

28.1		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	(i) Details of Sales (Finished goods)		
	- NPK Mixtures	-	-
	(ii) Details of Sales (Traded goods)		
	- Agro Products	23.59	144.33
	- Micro & Bio Products	16.83	59.08
	- ST. Fertilisers	298.31	427.20
	- NPK Mixtures	683.53	844.34
	- Pesticides	0.13	14.39
	- Packing Materials	-	3.58
	- W.S.Fertilizers	4.14	63.26
		1,026.53	1,556.18
	FMCG - Health Care Products	75.69	-
	- Marine Products	-	-
	<b>Total</b>	<b>1,102.22</b>	<b>1,556.18</b>

29.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Other Income</b>		
	Interest Received	7.77	-
	Discount Received	1.14	-
	Foreign Exchange Gain	0.09	-
	Royalty Receipts	-	11.95
	Provisions no longer required	13.55	-
	- Other Income	33.60	73.10
	<b>Total</b>	<b>56.15</b>	<b>85.05</b>

30.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Cost of Materials consumed</b>		
	Raw materials consumed	-	-
	Opening stock	-	-
	Add: Purchases (Net)	-	-
	Less: Inventory at the end of the year	-	-
	<b>Cost of Materials consumed during the year</b>	-	-
	<b>Total</b>	-	-

Rs. in Lakhs

31.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Changes in inventory of finished goods and Work in progress</b>		
	(Increase)/decrease in stock		
	Stock at the end of the year:		
	Finished goods	97.14	83.71
	Land held as stock-in-Trade	51.93	51.93
	Less:-		
	Total A	149.07	135.64
	Stock at the beginning of the year:		
	Finished goods	83.71	80.59
	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	(523.12)	(523.12)
	Total B	135.64	132.52
	<b>Total</b>	<b>(13.42)</b>	<b>(3.12)</b>

32.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Employee Expense</b>		
	Salaries and wages	88.49	133.37
	Gratuity	11.49	10.66
	Contribution to PF & ESI	6.32	11.94
	Workmen and Staff welfare expenses	7.59	9.57
	<b>Total</b>	<b>113.89</b>	<b>165.54</b>

33.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Finance Costs</b>		
	Interest	2.01	1.11
	Other borrowing costs	-	-
	<b>Total</b>	<b>2.01</b>	<b>1.11</b>

**Kothari Industrial Corporation Limited**

Rs. in Lakhs

34.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Other Expenses</b>		
	Consumption of stores and Packing Materials	-	-
	Power and fuel	16.30	15.21
	Rent	30.02	166.55
	Audit Fees		
	- Statutory Audit	3.00	3.00
	- Tax Audit	0.25	0.25
	- Other Audit	0.25	0.25
	Repairs to buildings	12.33	9.57
	Repairs Office and Others	-	11.54
	Repairs others	9.30	-
	Director Sitting Fee	0.11	0.22
	Repairs to others	-	-
	Insurance	0.01	0.38
	Rates & Taxes	6.06	4.57
	Travelling expenses	24.81	69.92
	Legal charges	-	-
	Telephone expenses	5.31	6.75
	Postage & Courier	0.43	2.82
	Conveyance	3.20	1.81
	Security charges	-	4.26
	Printing & Stationery	2.74	8.92
	Professional Charges	21.02	42.53
	Bank Charges	0.40	-
	Franchise Fee	-	5.00
	Selling Expenses	66.32	91.85
	Office Maintenance	9.98	16.20
	Other Manufacturing expenses	7.37	12.27
	Other Expenses	24.81	50.89
	<b>Total</b>	<b>244.02</b>	<b>524.76</b>

35.		31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
	<b>Exceptional Items</b>		
	Profit on sale of Assets	-	674.51
	Compensation	-	(1,181.50)
	<b>Total</b>	<b>-</b>	<b>(1,181.50)</b>

### 36. Employee benefit obligations

	<u>Rs. In Lakhs</u> <u>Gratuity</u> <u>March 31, 2021</u>	<u>Rs. In Lakhs</u> <u>Gratuity</u> <u>March 31, 2020</u>
Current	102.06	105.27
Non Current	23.55	23.95
<b>Total</b>	<b><u>125.62</u></b>	<b><u>129.22</u></b>

#### 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

	<u>Rs. In Lakhs</u> <u>March 31, 2021</u>	<u>Rs. In Lakhs</u> <u>March 31, 2020</u>
Provident Fund	5.47	10.31

#### (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	<b>Rs. In Lakhs</b>
<b>Opening Defined benefit obligation as on April 1, 2019</b>	<b>129.22</b>
Transfer in/(out) obligation	-
Current service cost	3.21
Interest Cost	8.29
<b>Total amount recognised in profit or loss</b>	<b>11.5</b>
Components of actuarial gain/losses on obligation:	
Due to Change in financial assumptions	0.28
Due to Change in demographic assumption	-
Due to experience adjustments	(12.48)
<b>Total amount recognised in other comprehensive income</b>	<b>(12.20)</b>
Past service cost	-
Loss (gain) on curtailments	-
Liabilities assumed in an amalgamation in the nature of purchase	-
Exchange differences on foreign plans	-
Benefits paid	(2.90)
<b>Closing Defined benefit obligation as on March 31, 2021</b>	<b>125.62</b>



## Kothari Industrial Corporation Limited

Expected Company contribution for the next year

### (ii) Significant actuarial assumptions:

The significant actuarial assumptions were as follows:

#### 31-Mar-21

Discount Rate	6.25%
Salary Growth Rate	6.00%
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 5.9 years.**

### (iii) Sensitivity to key assumptions

Discount rate	-0.54%
	0.62%
Salary growth rate	0.57%
	-0.55%

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.

37.	Earnings / (Loss) per share - calculation of weighted average number of Equity Shares of Rs.5/- each.		
		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	Net Profit / (Loss) attributable to Shareholders	(67.74)	(704.78)
	Number of shares of Rs.5/- each	1,91,10,885	1,91,10,885
	Basic & Diluted Earnings(in Rupees) per Share	(0.35)	(3.69)

### 38. Related Party Disclosures (contd.):

#### Particulars of transactions with related Parties

	Description	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
(a)	<b>Remuneration to key Managerial Personnel</b>		
	Mr. Anil Kumar Padhiali	5,13,280	5,30,161
	Mr. Singaravel V	4,98,388	5,88,710
		10,11,668	11,18,871
(b)	<b>Payment to Directors</b>		
	Mr. Dilip Machado	-	11,111
	Mr. D. Gunasekaran	10,881	11,111
	Total	10,881	22,222

### 38. Related Parties Disclosure :

#### (i) Name of the Key Management Personnel:

Mr. Pradip D. Kothari - Chairman & Managing Director (till 28<sup>th</sup> September 2017)  
Chairman (from 28<sup>th</sup> September 2017)

Mr. Rafiq Ahmed - Managing Director (with effect from 28<sup>th</sup> 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 1<sup>st</sup> August 2017)

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

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

Gemini Fertilizers	Proprietor	(Effective from 21 <sup>st</sup> April 2017)
Parveen Roadways Private Limited	Director	(Effective from 21 <sup>st</sup> April 2017)
Gemini Legal Consultants Private Limited	Director	(Effective from 21 <sup>st</sup> April 2017)
Gemini Iron and Steel Private Limited	Director	(Effective from 21 <sup>st</sup> April 2017)
Top guard International Security Force Private Limited	Director	(Effective from 21 <sup>st</sup> April 2017)
Kothari Marine International Limited (Subsidiary Company)	Director	(Effective from 13 <sup>st</sup> July 2018)
Gemini Karma International Services Private Limited (The spouse of Managing Director is a Director in the Company)		(Effective from 26 <sup>st</sup> March 2018)
Parveen Roadways	Proprietor	(Effective from 21 <sup>st</sup> April 2017)
Parveen Rolling Company	Proprietor	(Effective from 21 <sup>st</sup> April 2017)

**Rs. in Lakhs**

Transactions with related parties during the year along with balances as at year end:	Enterprise having significant influence	Enterprise having significant influence
Nature of Transaction	31.03.2021 Amount (Rs. in lakhs)	31.03.2020 Amount (Rs. in lakhs)
<b>a) Transaction during the year</b>		
<u>Purchase of Raw Materials &amp; finished goods</u>		
Gemini Fertilizers	17.32	68.96
<u>Royalty Income</u>		
Gemini Fertilizers	-	11.95
<u>Lease Rental Income</u>		
Gemini Fertilizers	12.00	12.00
<u>Service Income</u>		
Gemini Fertilizers	-	62.02
<u>Service Charges</u>		
Top guard International Security Force Private Limited	-	4.26
<u>Sale of Property</u>		
Gemini Iron and Steel Private Limited	-	2,363.00
<u>Profit on Sale of Property</u>		
Gemini Iron and Steel Private Limited	-	674.51
<u>Compensation for Property</u>		
Gemini Iron and Steel Private Limited	-	(1,181.50)

## Kothari Industrial Corporation Limited

**Rs. in Lakhs**

Transactions with related parties during the year along with balances as at year end:	Enterprise having significant influence	Enterprise having significant influence
Nature of Transaction	31.03.2021 Amount (Rs. in lakhs)	31.03.2020 Amount (Rs. in lakhs)
<b>b) Balances outstanding as at year end</b>		
Investment		
Kothari Marine International Limited	9.99	9.99
<u>Trade Receivables</u>		
Gemini Legal Consultants Private Limited	39.29	39.29
<u>Trade Payables</u>		
Gemini Fertilizers	-	2.58
Top Guard International Security Force Private Limited	6.67	2.46
<u>Loan</u>		
Parveen Roadways Private Limited	844.70	844.70
<u>Advance payable</u>		
Parveen Roadways Private Limited	20.33	11.70
Gemini Fertilizers	-	506.33
Parveen Roadways	-	67.36
Parveen Rolling Company	-	1.50
Kothari Marine International Limited	9.49	9.89
Gemini Iron and Steel Private Limited	1,617.14	1,128.58
<u>Recoverable</u>		
Gemini Iron and Steel Private Limited	-	549.66
Gemini Legal Consultants Private Limited	7.38	-
Gemin Karma International Services Private Limited	80.99	80.99

### 39. Segment Information

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

39.2 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	
		31.03.2021 (Audited)	31.03.2020 (Audited)
<b>1.</b>	<b>Segment Revenue (Net Sales/Income from Operations)</b>		
	a. Fertilizer	1,026.53	1,556.19
	b. Rental from Property	86.16	194.76
	c. FMCG Products	75.69	-
	Total	1,188.38	1,750.95
	Less: Inter Segment revenue		
<b>2.</b>	<b>Net Sales / Income from Operations</b>	<b>1,188.38</b>	<b>1,750.95</b>
	<b>Segment Results (Profit before Tax and Interest)</b>		
	a. Fertilizer	(199.99)	(348.42)
	b. Rental from Property	74.71	66.69
	c. FMCG Products	3.40	-
	Total	<b>(121.88)</b>	<b>(281.73)</b>
	Less:		
	(i) Unallocated Interest and finance charges	2.01	1.11
	(ii) Other unallocable expenditure net of unallocable Income	56.15	(421.94)
	<b>Profit before tax</b>	<b>(67.74)</b>	<b>(704.78)</b>
<b>3.</b>	<b>Segment Assets</b>		
	a. Fertilizer	463.31	605.40
	b. Rental from Property	143.86	149.94
	c. FMCG Products	72.84	-
	Unallocated	5,680.27	5,556.21
	<b>Total</b>	<b>6,360.28</b>	<b>6,311.55</b>
<b>4.</b>	<b>Segment Liability</b>		
	a. Fertilizer	1,296.78	1,285.59
	b. Lease Rent on property and others	93.21	141.73
	c. FMCG Products	69.44	-
	Unallocated	4,366.28	4,294.12
	<b>Total</b>	<b>5,825.71</b>	<b>5,721.44</b>
<b>5.</b>	<b>Capital Employed (3-4) Total Capital Employed</b>	<b>534.57</b>	<b>590.11</b>

**40. Fair Value Measurements**

(a) Financial instrument by category and hierarchy

Particulars	Hierarchy	Notes	Rs. in Lakhs						
			31st March 2021			31st March 2020			
			FVPL	FOCI	Amortized cost	FVPL	FOCI	Amortized cost	
<b>Financial assets</b>									
(i) Financial assets held at amortized cost									
Trade receivables	1	17			499.62				589.27
Cash and cash equivalents	1	18			19.44				30.43
Other financial assets	1	19			508.33				488.69
<b>Financial liabilities</b>									
(i) Financial liabilities held at amortized cost									
Borrowings	1	-			-				-
Trade payables	1	24			736.88				730.36
Other Financial liabilities	1	25			3,668.52				3,567.16

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 ad categorized as Level 1 hierarchy.

#### 41. Financial Risk Management

The Company has at present no outside credit facilities. The working capital and other financial needs are arranged by Vice Chairman and Managing Director through the Associate Companies out of credit obtained 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. Due to continues losses the net worth of the Company has eroded. The Current Liabilities exceed Current Assets. The Managing Director is arranging continuous finance through the Associate Companies for working capital and settlement of old creditors and would continue to do so. Further, the business plan envisaged by management provides for large scale expansion with injection of additional finance. In view of the foregoing, the financials have been prepared on principles applicable to a Going Concern.
4. The proceedings initiated by the 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 and the matter is pending adjudication.
5. Pursuant to an arbitration award dated 30.9.2017 relating to additional electricity dues of Caustic Soda manufactured sold by the Company in the year 1986 amounting to Rs. 2.31 Crores together with interest at 6% p.a. The Company has challenged the award before the Madras High Court which is pending adjudication.
6. 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.
7. The company's assessment for the accounting years 2003-04 to 2010-11 are under appeal before the Commissioner of Income Tax (appeals). In the unlikely event of, the appeals being disposed of against the company, there would be no tax demand in view of the accumulated losses.
8. 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.
9. In accordance with Accounting Standard 22 - "Taxes on Income", Deferred tax Asset is not recognised as a matter of prudence.
10. There is no material impact on Inventories and Receivables due to Covid-19.
11. The figures of the previous periods have been regrouped reclassified wherever necessary.

As per our Report of even date

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

**A. Nagarajan**  
**Partner**  
**Membership No.020680**  
**Place: Chennai**  
**Date : 30.06.2021**

For and on behalf of the Board

**Pradip D Kothari**  
**Chairman**  
**DIN : 01315682**

**Anil Kumar Padhiali**  
**Company Secretary**

**J. Rafiq Ahmed**  
**Vice Chairman &**  
**Managing Director**  
**DIN : 02861341**

**V. Singaravel**  
**Chief Financial Officer**

# Kothari Industrial Corporation Limited

UDIN : 21020680AAAANM9426

## Independent Auditor's Report

To the Members of

### KOTHARI INDUSTRIAL CORPORATION LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **KOTHARI INDUSTRIAL CORPORATION LIMITED** ("the Company") and its subsidiary company which comprises of the consolidated Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information to the consolidated financial statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act 2013 (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 consolidated state of affairs of the Company as at March 31, 2021 and consolidated loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS Financial Statements.

#### Material Uncertainty Related to Going Concern

The company has generated negative cash flows and incurred substantial operating losses during the current year and earlier years. Its current liabilities far exceeds its current assets. In order to continue the company is apparently dependent on the infusion of sufficient funds and restructuring of operations. There is, thus, in our opinion, existence of material risk as to the company's ability to continue as going concern. Based on the funds infused, business plans and the diversification programmes of the management, the company is reasonably assured to carry on the operations as a going concern. On this basis the company has prepared the financial statements on going concern basis. **Our conclusion is not qualified in respect of these matters.**

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have not determined any matters to be the key audit matters to be communicated in our report.

Continued...

Key Audit Matter	Auditor's Response
<p><b>Revenue recognition under Ind AS 115</b></p> <p>The sales of various products traded by the company are generally on credit terms. The credit terms varies according to the nature of products namely, Straight Fertilizers, NPK Mixtures, Agro Products, Micro Bio Products, Water Soluble Fertilizers etc. and relationship with the customers.</p> <p>Most of the customers are long standing relationship with the company and are being serviced by Field Officers. The credit period varies according to the products mentioned above and also the credit worthiness of the customers. The credit period generally ranges from 30 to 120 days which is normal trade practice.</p> <p>There is however no standard policy.</p>	<p><b>Our procedures included:</b></p> <p>It is noticed during the audit that the company has effective control through field officers to monitor the quantum of sales including types of products and value of goods sold on credit. The field officers are in constant touch with the customers and monitor recovery of dues and supply by goods on credit is conditioned by overdues from the customers. There is no procedure of charging overdue interest on overdue accounts, but this is taken into account would affect the credit rating of the customers. The above procedure has been broadly reviewed to our satisfaction.</p> <p>The company has recently evolved effective online control system ensuring better supervision at the field level, regional office etc.</p>

**INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Without qualifying our report we draw attention to the following:**

1. The financial statement has been presented on principles applicable to a going concern despite

accumulated losses and consequent erosion of net worth, there is also significant mismatch between current liability and current assets therefore there is material uncertainty in fulfilling the gabs within reasonable time. Significant amount of moneys being made available from time to time by associate companies of Managing Director for working funds and settlement of old creditors and would continue to do so. Further, the business plan envisaged by management provides for large scale expansion with injection of finance. (Refer Note No. 3)

2. No provision has been created in the accounts against loss that may arise due to the claim raised by the Government against the Coonor property. (Refer Note No. 4).
3. Arbitration Award against the Company regarding additional electricity dues of erstwhile Caustic Soda plant which is challenged by the Company before Madras High Court and pending Adjudication. (Refer Note No.5).

**MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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 consolidated 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



## Kothari Industrial Corporation Limited

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 RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for

expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated

financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

We did not audit the financial statements/financial information of One subsidiary whose financial statements / financial information reflect total assets of Rs. 10,05,779/- as at March 31, 2021, total revenue of Rs. Nil and total comprehensive income [comprising of profit/(loss) and other comprehensive income] of (Rs. 45,605/-) for the year ended on that date, as considered in the consolidated financial results, These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial results insofar as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, based on our audit 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 purposes 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 Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account..
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year.

- h) 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, as amended 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 consolidated financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M/s. Arockiasamy & Raj**  
Chartered Accountants  
Firm Reg.No.006850S  
(A. Nagarajan)  
Partner  
Membership No. 020680

## **Kothari Industrial Corporation Limited**

### **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Kothari Industrial Corporation Limited** of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause

(i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls over financial reporting of **KOTHARI INDUSTRIAL CORPORATION LIMITED** (“the Company”) as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

2. 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 on 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 respective 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.

### **AUDITOR’S RESPONSIBILITY**

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of

the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

4. 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.

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

6. 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 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**

7. 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**

8. 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, 2021, 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.

Place : Chennai  
Dated : 30.6.2021

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For **M/s. Arockiasamy & Raj**  
Chartered Accountants  
Firm Reg.No.006850S  
(A. Nagarajan)  
Partner  
Membership No. 020680

## Kothari Industrial Corporation Limited

### ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1(f) 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, 2020:

#### 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, Goods and Service Tax, Duty of Customs, and any other statutory dues with the appropriate authorities. .
  - (b) According to the information and explanations given to us, the extent of arrears of undisputed amount outstanding as on 31<sup>st</sup> March 2021 for a period of more than six months from the date they became payable, as certified by the Management is as under

**Rs.**

Income Tax (TDS)*	57,41,930
Professional Tax	18,73,572

- (c) According to the information and explanations given to us, There are no disputed dues of Income Tax, Customs Duty, Cess and other material statutory dues except the following.

Name of the statue	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 defaulted in repayment of loans or borrowings to Financial Institutions and subsequently settled the matter thru court, NCLT proceedings and assignments., 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.

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

(A. Nagarajan)  
Partner  
Membership No. 020680

Place : Chennai  
Dated : 30.6.2021

# Kothari Industrial Corporation Limited

## KOTHARI INDUSTRIAL CORPORATION LIMITED CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2021

Rupees in Lakhs

Particulars	Note No	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	13(a)	2,658.49	2,666.20
(b) Capital Work in Progress			
(c) Intangible assets	(b)	-	0.65
(d) Property held for Sale	14	1,517.38	1,517.38
(e) Deferred tax asset		778.03	778.03
(f) Miscellaneous Expenditure	15	0.10	0.13
(g) Financial Assets			
(i) Investments	16	-	-
(ii) loans and advances	17	219.93	95.27
(iii) Other non-current assets		-	-
<b>Non-Current Assets</b>		<b>5,173.93</b>	<b>5,057.66</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	18	149.07	135.64
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables	19	499.62	589.27
(iii) Cash and cash equivalents	20	19.44	33.82
(iv) Other Financial assets	21	508.79	488.79
(c) Other Current Assets			
<b>Current Assets</b>		<b>1,176.92</b>	<b>1,247.52</b>
<b>TOTAL ASSETS</b>		<b>6,350.85</b>	<b>6,305.18</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	22	955.84	955.54
(b) Other Equity	23	(421.36)	(365.36)
(c) Monetary Interest			
<b>Equity</b>		<b>534.18</b>	<b>590.18</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	24	1,294.70	1,294.70
(ii) Other Financial liabilities			
(b) Provisions	25	23.55	23.95
(c) Deferred tax Liabilities (Net)		-	-
(d) Other non-current liabilities		-	-
<b>Non Current Liabilities</b>		<b>1,318.25</b>	<b>1,318.65</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables	26		
Total outstanding dues of micro enterprises and small enterprises		9.07	
Total outstanding dues of creditors other than micro enterprises and small enterprises		727.81	730.36
(iii) Other Financial liabilities	27	3,659.03	3,557.37
(b) Other Current liabilities	28	0.45	3.33
(c) Provisions	29	102.06	105.29
(d) Current Tax Liability (Net)			
<b>Current Liabilities</b>		<b>4,498.42</b>	<b>4,396.35</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,350.85</b>	<b>6,305.18</b>
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>			
<b>CONTINGENT LIABILITIES</b>	30		

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<sup>th</sup> June, 2021

On behalf of the Board of Directors

Pradip D Kothari  
Chairman  
DIN : 01315682

J. Rafiq Ahmed  
Vice Chairman &  
Managing Director  
DIN : 02861341

Anil Kumar Padhiali  
Company Secretary

V. Singaravel  
Chief Financial Officer



**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2021**
**Rupees in Lakhs**

Particulars	Note No	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Revenue from operations	31	1,188.38	1,763.47
Other Income	32	56.15	85.05
		<u>1,244.53</u>	<u>1,848.52</u>
<i>Expenses:</i>			
Cost of materials consumed	33	-	-
Purchase of Stock-in-Trade		956.32	1,325.89
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	34	(13.42)	9.09
Excise Duty		-	-
Employee benefits	35	113.89	165.54
Financial costs	36	2.01	1.11
Depreciation and amortization expense		9.49	19.64
Other expenses	37	244.44	524.94
		<u>1,312.73</u>	<u>2,046.21</u>
Profit / (Loss) before exceptional and extraordinary items and tax		(68.20)	(197.69)
Exceptional Items	38		
Exceptional Items - Others		-	-
Exceptional Items - Profit on sale of asset		-	674.51
- Compensation		-	(1,181.50)
Profit before extraordinary items and tax		(68.20)	(704.68)
Extraordinary Items		-	-
Profit / (Loss) before tax		(68.20)	(704.68)
Tax expense:			
(1) Current tax		-	0.03
(2) Deferred tax		-	-
Profit for the year from continuing operations		<u>(68.20)</u>	<u>(704.71)</u>
<b>Profit/(Loss) from discontinuing operations</b>			
Tax expense of discounting operations			
Profit/(Loss) from Discontinuing operations		-	-
<b>Profit/(Loss) for the year</b>		<u>(68.20)</u>	<u>(704.71)</u>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Re-measurement of gains and (losses) on defined benefit obligation		12.20	(14.81)
<b>Total Comprehensive Income for the year</b>		<u>(56.00)</u>	<u>(719.52)</u>
Earning per equity share:			
(1) Basic		(0.36)	(3.69)
(2) Diluted		(0.36)	(3.69)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

2

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**  
**DIN : 01315682**
**J. Rafiq Ahmed**  
**Vice Chairman &**  
**Managing Director**  
**DIN : 02861341**
**A. Nagarajan**  
**Partner**  
**Membership No.020680**  
**Place: Chennai**  
**Date: 30<sup>th</sup> June 2021**
**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. 22 a)	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	No. of Shares	Amount in Lakhs	No. of Shares	Amount in Lakhs
<b>Equity Shares</b>				
Balance as at the beginning of the year	1,91,10,885	955.54	1,91,10,885	955.54
Add : Shares issued during the year	-	-	-	-
Balance as at the end of the year	<b>1,91,10,885</b>	<b>955.54</b>	<b>1,91,10,885</b>	<b>955.54</b>

**B) OTHER EQUITY (Refer Note 23 a)**

Rs. in Lakhs

	Reserves and Surplus					Total
	Capital Reserves	Capital Redemption Reserves	Revaluation Reserve	Retained Earnings	Other Reserves FVOCI equity Instruments	
Balance as at April 1, 2017	65.85	18.00	2,329.69	(5,084.58)	-	(2,671.04)
Profit / (Loss) for the year	-	-	-	(252.63)	-	(252.63)
Transfer to Revaluation Reserve			2,401.08	-	-	2,401.08
Transfer of Depreciation charged in the previous years to Retained Earnings			-	760.87	-	760.87
Balance as at March 31, 2018	65.85	18.00	4,730.77	(4,576.34)	-	238.29
Balance as at April 1, 2018	65.85	18.00	4,730.77	(4,576.34)	-	238.29
Profit / (Loss) for the year	-	-	-	115.87	-	115.87
Balance as at March 31, 2019	65.85	18.00	4,730.77	(4,460.47)	-	354.16
Balance as at April 1, 2019	65.85	18.00	4,730.77	(4,460.47)	-	354.16
Transfer from Revaluation Reserve	-	-	(1,349.91)	1,349.91	-	-
Profit / (Loss) for the year	-	-	-	(719.52)	-	(719.52)
Balance as at March 31, 2020	65.85	18.00	3,380.86	(3,830.08)	-	(365.36)
Balance as at April 1, 2020	65.85	18.00	3,380.86	(3,830.08)	-	(365.36)
Transfer from Revaluation Reserve				(56.00)	-	(56.00)
Profit / (Loss) for the year				(3,886.09)	-	(421.36)
Balance as at March 31, 2021	65.85	18.00	3,380.86	(3,886.09)	-	(421.36)

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.0068505

**A. Nagarajan**  
Partner  
Membership No.020680  
Place: Chennai  
Date: 30<sup>th</sup> June, 2021

On behalf of the Board of Directors

**Pradip D Kothari**  
Chairman  
DIN : 01315682

**J. Ratiq Ahmed**  
Vice Chairman &  
Managing Director  
DIN : 02861341

**Anil Kumar Padhiali**  
Company Secretary

**V. Singaravel**  
Chief Financial Officer

<b>CONSOLIDATED CASH FLOW STATEMENT</b>	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	Rs Lakhs	Rs Lakhs
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
PROFIT/(LOSS) BEFORE TAX		
ADJUSTMENTS FOR		
Depreciation and amortization expense	9.49	19.65
Finance Cost	2.01	1.11
Compensation		1,181.50
Profit and Sale of Property		(674.5)
Interest Income	(7.77)	
Discount Received	(1.14)	
Foreign Exchange Fluctuation Gain	(0.09)	
Provision No Longer Required	(13.55)	
	<u>(11.05)</u>	<u>527.75</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	(79.25)	(176.96)
ADJUSTMENTS FOR		
<b>MOVEMENT IN WORKING CAPITAL :</b>		
Inventories	(13.42)	37.20
Trade Receivables	90.79	(89.33)
Other Financial Assets	(19.99)	22.14
Short Term Provisions	8.58	10.68
Trade Payables	6.61	(408.46)
Financial Liabilities	115.21	(1,991.96)
Current Liabilities	(2.89)	(9.05)
	<u>184.89</u>	<u>(2,428.78)</u>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>105.64</b>	<b>(2,605.74)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase / Sale of Property, Plant and equipments, Intangibles	(1.12)	2,363.00
Interest Received	7.77	-
Net Advances Paid		
	<u>6.65</u>	<u>2,363.00</u>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES (B)</b>		

<b>C) CASH FLOW FROM FINANCE ACTIVITIES</b>		
Long Term Borrowings	-	
Advances	(124.66)	234.58
Interest Paid	(2.01)	(1.11)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES (C)</b>	<b>(126.67)</b>	<b>233.47</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(14.38)</b>	<b>(9.27)</b>
<b>CASH AND CASH EQUIVALENT OPENING BALANCE</b>	<b>33.82</b>	<b>43.09</b>
<b>EFFECT OF EXCHANGE DIFFERENCES ON RESTATEMENT OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENT CLOSING BALANCE</b>	<b>19.44</b>	<b>33.82</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	3.74	8.01
Balances on Current Accounts	15.70	25.81
Cheques on Hand		
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>19.44</b>	<b>33.82</b>

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<sup>th</sup> June, 2021

For and on behalf of the Board

**Pradip D Kothari**  
Chairman  
DIN : 01315682

**J. Rafiq Ahmed**  
Vice Chairman &  
Managing Director  
DIN : 02861341

**Anil Kumar Padhiali**  
Company Secretary

**V. Singaravel**  
Chief Financial Officer

## **NOTES ON ACCOUNTS**

### **NOTES FORMING PART OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS**

#### **1. Corporate Information**

##### **(i) Holding Company**

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.

The financial statement has been presented on principles applicable to a going concern despite accumulated losses and consequent erosion in net worth, on the fact that significant amount of moneys being made available from time to time by associate companies of the Managing Director for working funds and settlement of old creditors and would continue to do so. Further, the business plan envisaged by management provides for large scale expansion with injection of finance.

##### **(ii) Subsidiary Company**

Kothari Marine International Limited is an Indian Company promoted by Kothari Industrial Corporation Limited, Which is registered under the provisions of the Companies Act, 2013. The Company’s main activity is Marine business.

#### **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.

###### **(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.

## **Kothari Industrial Corporation Limited**

### **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 39)

### **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 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 or 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

## Kothari Industrial Corporation Limited

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 (FCTPL). 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 from Contracts with Customers**

Revenue from contracts with customers is recognised when the Company satisfies performance obligation by transferring promised goods to customers. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset. Revenue from Fertilizer sales is recognised when the significant risks and rewards of ownership in the goods are transferred to customers and recovery of the consideration is probable.

#### **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. Revenue is net of returns and allowances, trade discounts and volume rebates and Goods and Services Tax.

#### **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 rendered 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 plan 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.



## **Kothari Industrial Corporation Limited**

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.

### **2.22 Recent Accounting pronouncements to be effective from 1st April 2019**

#### **Ind AS 116 Leases:**

The Ministry of Corporate Affairs has notified the Ind AS 116. Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss.

The Company is currently evaluating the requirements of Ind AS 116 on the financial statements. The Company believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

**Amendment to Ind AS 12 'Income Taxes':**

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendments will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

**Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments:**

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

**Amendment to Ind AS 19 'Employee Benefits':**

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Note 13 (a) Property, plant and equipment

Description of Assets	Rs. in Lakhs						
	Freehold/Lease hold Land	Buildings	Plant & Machinery	Furniture & Fittings	Vehicles	Total	Total
<b>1. Gross Carrying value</b>							
Deemed cost as at March 31, 2017	8.56	2,640.96	51.81	0.33	4.72	2,706.37	2,709.40
Additions	5,669.82	-	18.44	-	-	5,688.26	5,688.26
Disposals	-	2,438.03	-	-	-	2,438.03	2,438.03
<b>Balance as at March 31, 2018</b>	<b>5,678.38</b>	<b>202.93</b>	<b>70.25</b>	<b>0.33</b>	<b>4.72</b>	<b>5,956.60</b>	<b>5,959.62</b>
Additions*	-	24.98	3.13	-	-	28.10	28.10
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>5,678.38</b>	<b>227.91</b>	<b>73.37</b>	<b>0.33</b>	<b>4.72</b>	<b>5,984.70</b>	<b>5,987.73</b>
Additions*	-	-	-	-	-	-	-
Transfer to Property held for Sale*	1,440.00	112.39	-	-	-	1,552.39	1,552.39
Disposals	1,598.40	113.95	-	-	-	1,712.35	1,712.35
<b>Balance as at March 31, 2020</b>	<b>2,639.98</b>	<b>1.57</b>	<b>73.37</b>	<b>0.33</b>	<b>4.72</b>	<b>2,719.96</b>	<b>2,722.99</b>
Additions*	-	-	1.10	-	-	1.10	1.10
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>2,639.98</b>	<b>1.57</b>	<b>74.47</b>	<b>0.33</b>	<b>4.72</b>	<b>2,721.06</b>	<b>2,724.08</b>
<b>II. Accumulated depreciation / Amortisation</b>							
Balance as at March 31, 2017	-	-	-	-	-	-	-
Charge for the year	-	20.79	23.61	0.10	2.50	46.99	48.20
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>20.79</b>	<b>23.61</b>	<b>0.10</b>	<b>2.50</b>	<b>46.99</b>	<b>48.20</b>
Charge for the period	-	26.93	18.06	0.08	1.39	46.46	47.19
Disposals**	-	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>47.72</b>	<b>41.66</b>	<b>0.18</b>	<b>3.89</b>	<b>93.45</b>	<b>95.39</b>
Charge for the year	-	11.71	7.15	0.15	0.17	19.18	19.61
Transfer to Property held for Sale*	-	35.00	-	-	-	35.00	35.00
Disposals	-	23.86	-	-	-	23.86	23.86
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>0.57</b>	<b>48.81</b>	<b>0.33</b>	<b>4.06</b>	<b>53.77</b>	<b>56.14</b>
Charge for the year	-	0.90	7.25	-	0.65	8.80	9.45
Disposals	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>1.47</b>	<b>56.06</b>	<b>0.33</b>	<b>4.71</b>	<b>62.57</b>	<b>65.59</b>
<b>Net Carrying Value</b>							
Balance as on March 31, 2021	2,639.98	0.10	18.41	0.00	0.00	2,658.49	2,658.49
Balance as on March 31, 2020	2,639.98	1.00	24.56	0.00	0.65	2,666.20	2,666.84
Balance as on March 31, 2019	5,678.38	180.19	31.71	0.15	0.83	5,891.25	5,892.34
Balance as on March 31, 2018	5,678.38	182.14	46.64	0.23	2.22	5,909.61	5,911.42
Balance as on April 01, 2017	8.56	2,640.96	51.81	0.33	4.72	2,706.37	2,709.40

Note 14 Property, plant and equipment

*Property held for sale Net Carrying Value	1,440.00	77.38					1,517.38
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Rs. in Lakhs

15.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Miscellaneous Expenditure</b>		
	Preliminary Expenses not written off	0.13	0.17
	Less:- Preliminary Expenses W/o. during the year	0.03	0.04
	<b>Closing Balance</b>	<b>0.10</b>	<b>0.13</b>

16.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Investments</b>		
	<b>Non-Current Investments</b>		
	<b>Unquoted</b>		
	Investments in Equity instruments		
	99994 shares of Kothari Marine International Limited @ Rs. 10 each	-	-
	- 52000 shares of Katiken Logistics Ltd @ Rs.10 each	5.20	5.20
	Less: Investment provision	(5.20)	(5.20)
	<b>Total</b>	<b>-</b>	<b>-</b>

The Company is defunct and in verge of liquidation

17.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Loans and Advances</b>		
	<b>Non Current Assets</b>		
	Secured considered good		
	Capital Advances		
	Security Deposits	219.93	95.27
	Sub Total	219.93	95.27
	Unsecured considered good/Doubtful		
	- Rental Deposit	-	-
	Sub Total	-	-
	Advances recoverable in cash or in kind	-	-
	Other loans & advances	-	-
	- Balances with Govt. Authorities	-	-
	Sub Total	-	-
	<b>Total</b>	<b>219.93</b>	<b>95.27</b>

**Current Assets**

18.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Inventories</b>		
	Work in progress		
	Finished goods	66.62	55.68
	Stock in trade(Land)	51.93	51.93
	Others		
	- Packing Materials	30.52	28.03
	<b>Total</b>	<b>149.07</b>	<b>135.64</b>

## Kothari Industrial Corporation Limited

### Details of Finished Goods Inventory

Rs. in Lakhs

18.1		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	(i) Goods Manufactured		
	- NPK Mixtures	-	-
	(iii) Details of Traded goods		
	- Agro Products	1.15	17.19
	- Micro & Bio Products	0.77	8.15
	- ST. Fertilisers	3.98	15.60
	- NPK Mixtures	6.29	9.81
	- Pesticides	1.69	1.69
	- W.S.Fertilisers	-	3.24
	- Sanitizer Products	-	
	- Mask Products	46.84	
	- Marine Products	5.89	-
	<b>Total</b>	<b>66.62</b>	<b>55.68</b>
19		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Trade receivables</b>		
	Secured Considered good	191.02	199.50
	Unsecured, considered good	308.79	389.95
	Unsecured considered doubtful	65.00	65.00
	-Others	-	-
	Less : Provisions	(65.18)	(65.18)
	<b>Total</b>	<b>499.62</b>	<b>589.27</b>
20		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Cash and cash equivalents</b>		
	(as per Cash Flow Statement)		
	Balances with banks		
	- In current account	15.70	25.81
	- Cheques on hand	-	-
	Cash in hand	3.74	8.01
	<b>Total</b>	<b>19.44</b>	<b>33.82</b>
21		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Other Financial assets</b>		
	Loans and advances unsecured and considered good	324.96	311.67
	Advance Income tax	183.83	177.12
	<b>Total</b>	<b>508.79</b>	<b>488.79</b>

Note No.	Particulars	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
		No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
22(a)	<b>Share Capital</b>				
	Authorised Share Capital Equity Share of Rs.5 each	5,00,00,000	2,500.00	5,00,00,000	2,500.00
	Issued Share Capital Equity Share of Rs.5 each	1,91,10,885	955.54	2,25,62,052	1,126.30
	Subscribed Share Capital Equity Share of Rs.5 each	1,91,10,885	955.54	2,22,46,052	1,112.30
	Fully Paid up Share Capital Equity Share of Rs.5 each	1,91,10,885	955.54	1,91,10,885	955.54
	Equity shares issued during the year Equity Share of Rs.5 each	-	-	-	-
	<b>Total</b>	<b>1,91,10,885</b>	<b>955.54</b>	<b>1,91,10,885</b>	<b>955.54</b>

The amount of issued, subscribed and paid up of the Company appearing in the notes to accounts of Financial as on 31.03.2021 is Rs.9,55,54,425 (No. of shares 19110885).

The amount of issued and subscribed Capital of the Company appearing in the notes to accounts of Financial for the financial year 2017-18 till the financial year 2019-20 is incorrect.

The Board of Directors of Company realized that the aforesaid inaccurate representation of the equity share capital appears only in the notes to accounts for the financial year 2017-18, till the financial year 2019-20.

The Board of Directors State that the incorrect numbers are only reflected in the notes to account of the financial statements and not in the Balance sheet.

The Board of directors shall file an application for seeking the permission of this Hon'ble Tribunal (NCLT, Chennai) for rectification of its Financial Statements for the Financial Year 2017-18, till Financial Year 2019-20 or as any other period that the Hon'ble NCLT may direct.

The Board of Directors of the Company at its meeting held on 31.10.2020, have approved a Scheme of Reduction of share capital (the Scheme), to extinguish / cancel 66,27,000 equity shares of the Company held by Promoters group of the Company, as detailed in the Scheme which is posted on the Company's website. The Scheme was approved by the shareholders through a special resolution vide postal ballot dated June 30, 2021, and was taken on record by the stock exchanges (BSE – designated stock exchange for this purpose).

The Company is in process to file the application/scheme for reduction of capital before the NCLT, Chennai. Upon sanction of the Scheme by NCLT, the paid-up share capital of the Company stands reduced from 1,91,10,885 equity shares of ₹5/- each aggregating to ₹9,55,54,425 to 1,24,83,885 equity shares of ₹5/- each aggregating to ₹6,24,19,425.

**a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year**

Note No.	Particulars	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
		No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
(a)	<b>Equity Shares</b>				
	At the beginning of the year	1,91,10,885	955.54	1,91,10,885	955.54
	issued during the year	-	-	-	-
	outstanding at the end of the year	<b>1,91,10,885</b>	<b>955.54</b>	<b>1,91,10,885</b>	<b>955.54</b>

## Kothari Industrial Corporation Limited

### (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.

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

	31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020	
	Percentage	No. of Shares	Percentage	No. of Shares
<b>Equity Shares</b>				
Mr. Pradip D Kothari	17.09%	32,66,288	17.09%	32,66,288
Life Insurance Corporation of India	7.70%	14,71,629	7.70%	14,71,629
Mr. A. Sahabudeen	5.91%	11,29,793	5.91%	11,29,793
<b>Total</b>		<b>58,67,710</b>		<b>58,67,710</b>

### 22.1 Additional Disclosures

Out of the Paid-up Capital

- 22,25,850 Equity Shares of Rs.10/- each were allotted as fully paid on amalgamation in February 1972 for consideration other than cash.
- 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.
- 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.
- 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.
- In accordance with the consent given by the shareholders at the 39<sup>th</sup> Annual General Meeting held on 14<sup>th</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> August, 2010 from the Madras High Court with effect from that date.

- The consent terms filed on 05.03.2000 with the Supreme Court and decreed by the said Court in the matter of share allotment and sale of 5.33 grounds of land effects of the decree has not been considered in the books of accounts of the company, since the consent decree terms are yet to be implemented. A suit has since been filed in Madras High Court for implementation of the scheme.

Rs. in Lakhs

23		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Reserves and Surplus</b>		
	Capital Reserves	65.85	65.85
	Capital Redemption Reserves	18.00	18.00
	Retained Earnings	1,349.91	1,349.91
	Debenture Redemption Reserves	-	-
	Revaluation Reserves	3,380.86	3,380.86
	Deficit	(5,235.98)	(5,179.98)
	<b>Total</b>	<b>(421.36)</b>	<b>(365.36)</b>

23.1		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Capital Reserves</b>		
	Balance at the beginning of the year	65.85	65.85
	Balance as at the end of the year	<b>65.85</b>	<b>65.85</b>
23.2		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Capital Redemption Reserves</b>		
	Balance at the beginning of the year	18.00	18.00
	Balance as at the end of the year	<b>18.00</b>	<b>18.00</b>
23.3		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Revaluation Reserves</b>		
	Balance at the beginning of the year	4,730.77	4,730.77
	Less : Transition adjustments	(1,349.91)	-
	Less : Appropriations	-	-
	Balance as at the end of the year	<b>3,380.86</b>	<b>4,730.77</b>
23.4		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Deficit:</b>		
	Balance at the beginning of the year	(5,179.98)	(4,460.46)
	ADD : transfer from revaluation reserve	-	-
	Profit/(Loss) for the year	(56.00)	(719.52)
	Less : Depreciation of prior year 2016 & 17	-	-
	Deficit as at the end of the year	<b>(5,235.98)</b>	<b>(5,179.98)</b>
24.		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Non Current Borrowings</b>		
	Secured		
	Term Loans		
	- From Banks	-	-
- From Others	1,294.70	1,294.70	
	<b>Total</b>	<b>1,294.70</b>	<b>1,294.70</b>
Secured by a charge on Company's share of 4 floors in Kothari Buildings alongwith the undivided share of land.			
25.		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Provisions</b>		
	Non Current - Due to Gratuity	23.55	23.95
	<b>Total</b>	<b>23.55</b>	<b>23.95</b>
26.		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	<b>Trade Payables</b>		
	Total outstanding dues of micro and small enterprises	9.07	-
	Total outstanding dues of creditors other than micro and small enterprises	727.81	730.36
		<b>Total</b>	<b>736.88</b>



## Kothari Industrial Corporation Limited

Rs. in Lakhs

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company. The required disclosures are given below:

	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Principal amount due and remaining unpaid	9.07	-
Interest due and unpaid on the above amount	-	-
Interest paid by the Company in terms of section 16 of the Micro, Small and Medium enterprises Act. 2006	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable	-	-

27.	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Other Financial Liabilities</b>		
Current maturities of long term debt	-	-
Interest accrued and due on borrowings	-	23.30
Unclaimed Dividends	6.98	6.98
Rent Deposit	93.21	141.73
Statutory dues including PF and TDS	139.69	173.49
Salaries & Wages Payable	112.99	105.35
Others	3,306.16	3,106.52
<b>Total</b>	<b>3,659.03</b>	<b>3,557.37</b>

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.

28.	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Other Current Liabilities</b>		
Due to a Party	0.02	2.90
Others	0.43	0.43
Due to Holding Company	-	-
<b>Total</b>	<b>0.45</b>	<b>3.33</b>

29.	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Provisions</b>		
Provision for Income tax AY. 2020-21	-	0.03
Current - Due to Gratuity	102.06	105.27
<b>Total</b>	<b>102.06</b>	<b>105.29</b>

30.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
	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)		
	Guarantees	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
	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	231.37
	The Company has challenged the award before the Madras High Court by paying 60 Lacs as Court Deposit. Pending disposal of the case by the High Court.		
	<b>Total</b>	<b>322.44</b>	<b>322.44</b>

31.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Revenue from Operations (for companies other than a finance company)</b>		
	Revenue from - Sale of Fertilisers (Refer Note (i))	1,102.22	1,568.71
	Other operating revenue (Refer Note (ii))	86.16	194.76
	<b>Total</b>	<b>1,188.38</b>	<b>1,763.47</b>

Note :- (i) Includes Revenue from Contracts with Customers

Note :- (ii) Operating revenue includes Lease Rental Income

**Kothari Industrial Corporation Limited**

Rs. in Lakhs

31.1		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	(i) Details of Sales (Finished goods)		
	- NPK Mixtures	-	-
	(ii) Details of Sales (Traded goods)		
	- Agro Products	23.58	144.33
	- Micro & Bio Products	16.83	59.08
	- ST. Fertilisers	298.31	427.20
	- NPK Mixtures	683.53	844.34
	- Pesticides	0.13	14.39
	- Packing Materials	-	3.59
	- W.S.Fertilizers	4.15	63.26
		1,026.53	1,556.19
	FMCG - Health Care Products	75.69	-
	- Marine Products	-	12.52
	<b>Total</b>	<b>1,102.22</b>	<b>1,568.71</b>

32.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Other Income</b>		
	Interest Received	7.77	-
	Discount Received	1.14	-
	Foreign Exchange Gain	0.09	-
	Royalty Receipts	-	11.95
	Provisions no longer required	13.55	-
	- Other Income	33.60	73.10
	<b>Total</b>	<b>56.15</b>	<b>85.05</b>

33.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Cost of Materials consumed</b>		
	Raw materials consumed	-	-
	Opening stock	-	-
	Add: Purchases (Net)	-	-
	Less: Inventory at the end of the year	-	-
	<b>Cost of Materials consumed during the year</b>	-	-
	<b>Total</b>	-	-

Rs. in Lakhs

34.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Changes in inventory of finished goods and Work in progress</b>		
	(Increase)/decrease in stock		
	Stock at the end of the year:		
	Finished goods	97.14	83.71
	Land held as stock-in-Trade	51.93	51.93
	Less:-		
	Total A	149.07	135.64
	Stock at the beginning of the year:		
	Finished goods	83.71	92.80
	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	(523.12)	(523.12)
	Total B	135.64	144.73
	<b>Total</b>	<b>(13.42)</b>	<b>9.09</b>
35.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Employee Expense</b>		
	Salaries and wages	88.49	133.37
	Gratuity (Refer Note:40)	11.49	10.66
	Contribution to PF & ESI	6.32	11.94
	Workmen and Staff welfare expenses	7.59	9.57
	<b>Total</b>	<b>113.89</b>	<b>165.54</b>
36.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Finance Costs</b>		
	Interest	2.01	1.11
	Bank Charges	-	-
	<b>Total</b>	<b>2.01</b>	<b>1.11</b>

## Kothari Industrial Corporation Limited

Rs. in Lakhs

37.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
	<b>Other Expenses</b>		
	Consumption of stores and Packing Materials	-	-
	Power and fuel	16.30	15.21
	Rent	30.02	166.55
	Audit Fees	-	-
	- Statutory Audit	3.10	3.10
	- Tax Audit	0.25	0.25
	- Other Audit	0.25	0.25
	Repairs to buildings	12.33	9.57
	Repairs Office and Others	-	11.54
	Repairs to Vehicle	-	-
	Repairs others	9.30	-
	Director Sitting Fee	0.11	0.22
	Repairs to others	-	-
	Insurance	0.01	0.38
	Rates & Taxes	6.06	4.57
	Travelling expenses*	24.81	69.92
	Legal charges	-	-
	Telephone expenses	5.31	6.75
	Postage & Courier	0.43	2.82
	Conveyance	3.20	1.81
	Security charges	-	4.26
	Printing & Stationery	2.74	8.92
	Professional Charges	21.02	42.53
	Franchise Fee	-	5.00
	Selling Expenses	66.32	91.85
	Loss on Sale of Asset	-	-
	Advances Written off	-	-
	Office Maintenance	9.98	16.20
	Other Manufacturing expenses	7.37	12.27
	Provision for doubtful debts	-	-
	Other Expenses	25.52	50.97
	<b>Total</b>	<b>244.44</b>	<b>524.94</b>
38.		31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2021
	<b>Exceptional Items</b>		
	Profit on sale of Assets	-	674.51
	Compensation	-	(1,181.50)
	<b>Total</b>	<b>-</b>	<b>(1,181.50)</b>

Exceptional items comprise of-

- Profit on sale of part of Kothari land and Building for Rs. 674.51 Lakhs related to the sale of 2 floors of Kothari Properties.
- Compensation for the surrender of right over two floors in kothari Building Rs.1181.50 Lakhs based on Arbitration Award.

### 39. Employee benefit obligations

	<u>Rs. In Lakhs</u> <u>Gratuity</u> <u>March 31, 2021</u>	<u>Rs. In Lakhs</u> <u>Gratuity</u> <u>March 31, 2020</u>
Current	102.06	105.27
Non Current	23.55	23.95
<b>Total</b>	<b><u>125.62</u></b>	<b><u>129.22</u></b>

#### 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

	<u>Rs. In Lakhs</u> <u>March 31, 2021</u>	<u>Rs. In Lakhs</u> <u>March 31, 2020</u>
Provident Fund	5.47	10.31

#### (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	<b>Rs. In Lakhs</b>
<b>Opening Defined benefit obligation as on April 1, 2020</b>	<b>129.22</b>
Transfer in/(out) obligation	-
Current service cost	3.21
Interest Cost	8.29
<b>Total amount recognised in profit or loss</b>	<b>11.5</b>
Components of actuarial gain/losses on obligation:	
Due to Change in financial assumptions	0.28
Due to Change in demographic assumption	-
Due to experience adjustments	(12.48)
<b>Total amount recognised in other comprehensive income</b>	<b>(12.20)</b>
Past service cost	-
Loss (gain) on curtailments	-
Liabilities assumed in an amalgamation in the nature of purchase	-
Exchange differences on foreign plans	-
Benefits paid	(2.90)
<b>Closing Defined benefit obligation as on March 31, 2021</b>	<b>125.62</b>

## Kothari Industrial Corporation Limited

Expected Company contribution for the next year

### (ii) Significant actuarial assumptions:

The significant actuarial assumptions were as follows:

#### 31-Mar-21

Discount Rate	6.25%
Salary Growth Rate	6.00%
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 5.9 years.**

### (iii) Sensitivity to key assumptions

Discount rate	-0.54%
	0.62%
Salary growth rate	0.57%
	-0.55%

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.

40.	Earnings / (Loss) per share - calculation of weighted average number of Equity Shares of Rs.5/- each.		
		<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>
	Net Profit / (Loss) attributable to Shareholders	(68.20)	(704.71)
	Number of shares of Rs.5/- each	1,91,10,885	1,91,10,885
	Basic & Diluted Earnings(in Rupees) per Share	(0.36)	(3.69)

### 41. Related Party Disclosures (contd.):

#### Particulars of transactions with related Parties

	Description	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
(a)	<b>Remuneration to key Managerial Personnel</b>		
	Mr. Anil Kumar Padhiali	5,13,280	5,30,161
	Mr. Singaravel V	4,98,388	5,88,710
		10,11,668	11,18,871
(b)	<b>Payment to Directors</b>		
	Mr. Dilip Machado	-	11,111
	Mr. D. Gunasekaran	10,881	11,111
	Total	10,881	22,222

### 41. Related Parties Disclosure :

#### (i) Name of the Key Management Personnel:

Mr. Pradip D. Kothari - Chairman & Managing Director (till 28<sup>th</sup> September 2017)  
Chairman (from 28<sup>th</sup> September 2017)

Mr. Rafiq Ahmed - Managing Director (with effect from 28<sup>th</sup> 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 1<sup>st</sup> August 2017)

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

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

Gemini Fertilizers	Proprietor	(Effective from 21 <sup>st</sup> April 2017)
Parveen Roadways Private Limited	Director	(Effective from 21 <sup>st</sup> April 2017)
Gemini Legal Consultants Private Limited	Director	(Effective from 21 <sup>st</sup> April 2017)
Gemini Iron and Steel Private Limited	Director	(Effective from 21 <sup>st</sup> April 2017)
Top guard International Security Force Private Limited	Director	(Effective from 21 <sup>st</sup> April 2017)
Kothari Marine International Limited (Subsidiary Company)	Director	(Effective from 13 <sup>st</sup> July 2018)
Gemini Karma International Services Private Limited (The spouse of Managing Director is a Director in the Company)		(Effective from 26 <sup>st</sup> March 2018)
Parveen Roadways	Proprietor	(Effective from 21 <sup>st</sup> April 2017)
Parveen Rolling Company	Proprietor	(Effective from 21 <sup>st</sup> April 2017)

**Rs. in Lakhs**

Transactions with related parties during the year along with balances as at year end:	Enterprise having significant influence	Enterprise having significant influence
Nature of Transaction	31.03.2021 Amount (Rs. in lakhs)	31.03.2020 Amount (Rs. in lakhs)
<b>a) Transaction during the year</b>		
<u>Purchase of Raw Materials &amp; finished goods</u>		
Gemini Fertilizers	17.32	68.96
<u>Royalty Income</u>		
Gemini Fertilizers	-	11.95
<u>Lease Rental Income</u>		
Gemini Fertilizers	12.00	12.00
<u>Service Income</u>		
Gemini Fertilizers	-	62.02
<u>Service Charges</u>		
Top guard International Security Force Private Limited	-	4.26
<u>Sale of Property</u>		
Gemini Iron and Steel Private Limited	-	2,363.00
<u>Profit on Sale of Property</u>		
Gemini Iron and Steel Private Limited	-	674.51
<u>Compensation for Property</u>		
Gemini Iron and Steel Private Limited	-	(1,181.50)



## Kothari Industrial Corporation Limited

**Rs. in Lakhs**

Transactions with related parties during the year along with balances as at year end:	Enterprise having significant influence	Enterprise having significant influence
Nature of Transaction	31.03.2021 Amount (Rs. in lakhs)	31.03.2020 Amount (Rs. in lakhs)
<b>b) Balances outstanding as at year end</b>		
Investment		
Kothari Marine International Limited	-	-
<u>Trade Receivables</u>		
Gemini Legal Consultants Private Limited	39.29	39.29
<u>Trade Payables</u>		
Gemini Fertilizers	-	2.58
Top Guard International Security Force Private Limited	6.67	2.46
<u>Loan</u>		
Parveen Roadways Private Limited	844.70	844.70
<u>Advance payable</u>		
Parveen Roadways Private Limited	20.33	11.70
Gemini Fertilizers	-	506.33
Parveen Roadways	-	67.36
Parveen Rolling Company	-	1.50
Kothari Marine International Limited	-	-
Gemini Iron and Steel Private Limited	1,617.14	1,128.58
<u>Recoverable</u>		
Gemini Iron and Steel Private Limited	-	549.66
Gemini Legal Consultants Private Limited	7.38	-
Gemin Karma International Services Private Limited	80.99	80.99

## 42. Segment Information

- 42.1 The Directors of the Company have been identified as the Chief Operating Decision Makers (CODM) as
- 42.2 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	
		31.03.2021 (Audited)	31.03.2020 (Audited)
<b>1.</b>	<b>Segment Revenue (Net Sales/Income from Operations)</b>		
	a. Fertilizer	1,026.53	1,556.19
	b. Rental from Property	86.16	194.76
	c. FMCG Products	75.69	-
	d. Others	-	12.52
	Total	1,188.38	1,763.47
<b>2.</b>	Less: Inter Segment revenue		
	<b>Net Sales / Income from Operations</b>	<b>1,188.38</b>	<b>1,763.47</b>
	<b>Segment Results (Profit before Tax and Interest)</b>		
	a. Fertilizer	(199.99)	(348.42)
	b. Rental from Property	74.71	66.69
	c. FMCG Products	3.40	-
	d. Others	(0.46)	0.10
	Total	<b>(122.34)</b>	<b>(281.63)</b>
	Less:		
	(i) Unallocated Interest and finance charges	2.01	1.11
	(ii) Other unallocable expenditure net of unallocable Income	56.15	(421.94)
<b>3.</b>	<b>Profit before tax</b>	<b>(68.20)</b>	<b>(704.68)</b>
	<b>Segment Assets</b>		
	a. Fertilizer	463.31	605.40
	b. Rental from Property	143.86	149.94
	c. FMCG Products	72.84	-
	Unallocated	5,670.84	5,549.84
<b>4.</b>	<b>Total</b>	<b>6,350.85</b>	<b>6,305.18</b>
	<b>Segment Liability</b>		
	a. Fertilizer	1,296.78	1,285.59
	b. Lease Rent on property and others	93.21	141.73
	c. FMCG Products	69.44	-
	Unallocated	4,357.24	4,287.68
<b>5.</b>	<b>Total</b>	<b>5,816.67</b>	<b>5,715.00</b>
	<b>Capital Employed (3-4) Total Capital Employed</b>	<b>534.18</b>	<b>590.18</b>

**43. Fair Value Measurements**

(a) Financial instrument by category and hierarchy

Particulars	Hierarchy	Notes	Rs. in Lakhs					
			31 <sup>st</sup> March 2021		31 <sup>st</sup> March 2020			
			FVPL	FOCI	Amortized cost	Amortized cost		
<b>Financial assets</b>								
(i) Financial assets held at amortized cost								
Trade receivables	1	19			499.62			589.27
Cash and cash equivalents	1	20			19.44			33.82
Other financial assets	1	21			508.79			488.79
<b>Financial liabilities</b>								
(i) Financial liabilities held at amortized cost								
Borrowings	1	0			-			-
Trade payables	1	26			736.88			730.36
Other Financial liabilities	1	27			3,659.03			3,557.37

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 ad categorized as Level 1 hierarchy.

#### 44. Financial Risk Management

The Company has at present no outside credit facilities. The working capital and other financial needs are arranged by Vice Chairman and Managing Director through the Associate Companies out of credit obtained 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.

#### 45. Consolidation method adopted

(d) These Consolidated Financial Statements (CFS) are prepared in accordance with Ind AS on "Consolidated Financial Statements" (Ind AS 110), specified under section 133 of the Companies Act, 2013.

Name of the Subsidiary Company	31.3.2021 % of Ownership	31.3.2020 % of Ownership
Kothari Marine International Limited	99.99%	99.99%

Balance Sheet	Rs. in Lakhs	Rs. in Lakhs
Non Current Assets	0.10	0.13
Current Assets	9.96	13.29
Total Assets	10.06	13.42
Non Current Liabilities	-	-
Current Liabilities	0.44	3.36
Total Liabilities	0.44	3.36
Total Equity	10.00	10.00
<b>Profit and Loss</b>		
Profit for the year	(0.46)	0.07
Other Comprehensive Income	-	-
Total Comprehensive Income	(0.46)	0.07
Summarised Cash Flow		
Cash flow from Operating activities	(3.39)	(6.77)
Cash flow from Investing activities	0.01	0.06
Cash flow from Financing activities	-	-
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(3.38)</b>	<b>(6.71)</b>

## Kothari Industrial Corporation Limited

3. Due to continues losses the net worth of the Company has eroded. The Current Liabilities exceed Current Assets. The Managing Director is arranging continuous finance through the Associate Companies for working capital and settlement of old creditors and would continue to do so. Further, the business plan envisaged by management provides for large scale expansion with injection of additional finance. In view of the foregoing, the financials have been prepared on principles applicable to a Going Concern.
4. The proceedings initiated by the 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 and the matter is pending adjudication.
5. Pursuant to an arbitration award dated 30.9.2017 relating to additional electricity dues of Caustic Soda manufactured sold by the Company in the year 1986 amounting to Rs. 2.31 Crores together with interest at 6% p.a. The Company has challenged the award before the Madras High Court which is pending adjudication.
6. 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.
7. The accounts of the subsidiary named Kothari Marine International Limited representing 99.99% of the share capital amounting to Rs. 9,99,940/- comprising of 99,994 shares of Rs. 10/- each as certified by its statutory auditors have been consolidated with the accounts of the Company.
8. The company's assessment for the accounting years 2003-04 to 2010-11 are under appeal before the Commissioner of Income Tax (appeals). In the unlikely event of, the appeals being disposed of against the company, there would be no tax demand in view of the accumulated losses..
9. 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.
10. In accordance with Accounting Standard 22 - "Taxes on Income", Deferred tax Asset is not recognised as a matter of prudence.
11. There is no material impact on Inventories and Receivables due to Covid-19.
12. The figures of the previous periods have been regrouped reclassified wherever necessary.

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As per our Report of even date

For and on behalf of the Board

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

**A. Nagarajan**  
**Partner**  
**Membership No.020680**  
**Place: Chennai**  
**Date : 30.06.2021**

**Pradip D Kothari**  
**Chairman**  
**DIN : 01315682**

**Anil Kumar Padhiali**  
**Company Secretary**

**J. Rafiq Ahmed**  
**Vice Chairman &**  
**Managing Director**  
**DIN : 02861341**

**V. Singaravel**  
**Chief Financial Officer**



**KOTHARI**

# SANITIZER & HEALTH PRODUCTS



[kotharihealth.com](http://kotharihealth.com)  
Trade Enquiry – 90952 90952



*If undelivered please return to :*

**KOTHARI INDUSTRIAL CORPORATION LIMITED**

Regd. Office : "Kothari Buildings" Box No. 3332,  
No. 114, Mahatma Gandhi Salai,  
Nungambakkam, Chennai - 600 034.