

Kothari Industrial Corporation Limited



BOARD OF DIRECTORS

Mr. Pradip D. Kothari	DIN 01315682	Chairman (w.e.f.02.12.2017)
Mr.J.Rafiq Ahmed	DIN 02861341	Vice Chairman & Managing Director (w.e.f.02.12.2017)
Mr.Dilip Machado	DIN 06895289	Independent Director
Mr.D.Gunasekaran	DIN 07326495	Independent Director
Mrs. Surekha P Kothari	DIN 05131936	Non-Independent Director (Resigned w.e.f.28.08.2017)

COMPANY SECRETARY

Mr. S. Vasudevan Company Secretary (Resigned w.e.f.01.04.2017)

CHIEF FINANCIAL OFFICER

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

STATUTORY AUDITORS

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

REGISTERED OFFICE:

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

SECRETARIAL AUDITOR

Mrs. A.Satyadevi
Practicing Company Secretary,
New No.23, Lake area,
3rd Street, Nungambakkam,
Chennai 600034.

FACTORY:

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

REGISTRARS:

M/s. Integrated Registry Management Services Private Limited

CIN No.U74900TN2015PTC101466
II Floor, “Kences Towers”,
1, Ramakrishna Street,
off North Usman Road,
T.Nagar, Chennai 600 017.

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KOTHARI INDUSTRIAL CORPORATION LIMITED

Regd. Office : "Kothari Buildings"

114, Mahathma Gandhi Salai, Nungambakkam, Chennai 600 034

NOTICE TO MEMBERS

NOTICE is hereby given that the 47th Annual General Meeting of the Company will be held at 11.00 a.m. on Saturday the 30th December 2017 at company's Super Phosphate Factory situated at Kathivakkam Village, Ennore, Chennai 600057, to transact the following business:

ORDINARY BUSINESS

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

"RESOLVED THAT the Audited Statement of Profit & Loss and Cash Flow Statement for the year ended 31st March, 2017 and the Balance Sheet as at that date together with the Auditors' Report and the Directors' Report be and are hereby adopted."

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

"RESOLVED THAT pursuant to the provisions of Section 139(8) and the other applicable provisions, if any, of the Companies Act, 2013 the appointment of M/s.Arockiasamy & Raj, Chartered Accountants (Regn.No.006850S), having their office at New No.2, Old no.33, 1st Floor, 2nd Cross Street, CIT Nagar West, Chennai 600035, as Statutory Auditors of the company who will hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company in addition to traveling and other out of pocket expenses, be and are hereby ratified."

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

"RESOLVED THAT to re-appoint Mr.Pradip D Kothari, who vacates office by virtue of Section 152(6) of the

Companies Act, 2013, be appointed Director of the company, liable to retire by rotation."

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

Appointment of and Remuneration of Mr.J.Rafiq Ahmed as Managing Director

"RESOLVED THAT pursuant to the provisions of Sections 197, 198 and 203 and other applicable provisions, if any, of the Companies Act 2013 including any statutory modification or re-enactment thereof, or any other law and subject to such consent(s), approval(s) and permission(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), permission(s) and approval(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorised by the Board in this behalf), consent of the members be and is hereby accorded to the appointment of Mr.J.Rafiq Ahmed as Managing Director of the Company for a period five years with effect from 28th September 2017, on a remuneration within the permissible limit under Section 197 and in case of in adequacy of profit under Section II of Part II of Schedule V to the Companies Act, 2013, with effect from 1st January 2018."

(By Order of the Board)

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place: Chennai

Date : 02.12.2017

PRADIP D KOTHARI

Chairman

Important Notes :

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday the 28thDecember2017 to Saturday the30thDecember2017(both days inclusive) in connection with the AGM.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceed fifty(50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Member holding more than 10% of the total share capital of the Company is entitled to appoint a single proxy, who cannot be proxy of any other member.
3. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed, stamped and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

During the period beginning 24 hours before the time fixed of the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of the notice in writing is given to the Company.

4. 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.

5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
6. The Securities and Exchange of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
7. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting are enclosed and form an integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
8. Electronic copy of the Full Version of the Annual Report for the year 2016-17 and the notice of the 47th AGM are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year is being sent in the permitted mode. These members are requested to register their e-mail ids with the DP/RTA/Company.
9. Full version of the Report and the Notice of the AGM are available in the Company's website viz.,

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www.kotharis.in. Members desirous of receiving the complete annual report may send a request in writing to the Registrar or Company and send the same by post/courier or email with a scanned copy of the request.

10. Electronic Voting(e-Voting)

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all Resolutions set forth in the Notice convening the 47th AGM. The Company has engaged the services of Central Depository Services Limited (CDSL) for this purpose.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **27th December 2017 at 09.00 a.m. and ends on 29th December 2017 at 05.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **23rd December 2017** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

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

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

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

(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 Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 18002005533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, (CDSL,) Central Depository Services (India) Limited, 16th Floor, PhirozeJeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533.

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11. Mr.R.Srinivasan,Practicing Company Secretary, (C.P.No.7779) Email id:momu18@gmail.comMobile no.9840158156 has been appointed as the Scrutinizer to scrutinize the e-voting as well as physical ballot process in a fair and transparent manner.
12. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast two(2) witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the company.
13. The result shall be declared after remote E-voting and physical ballot after the AGM of the Company and the resolutions will be deemed to be passed on the date of AGM of the Company subject to the receipt of requisite number of votes in favour of the resolution. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kotharis.in and on the website of CDSL and communicated to the Stock Exchange.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m. to 5.30 p.m.) Monday to Friday, except Holidays, upto and including the date of the Annual General Meeting of the Company.
15. Shareholders seeking any information with regard to accounts are requested to write to the Company well in advance so as to enable the Management to reply.
16. Members are also hereby informed that the equity shares of the Company are available for dematerialization/rematerialisation under the Depository System.
17. M/s.Integrated Registry Management Services Private Limited, Chennai-600 017 are the Registrars & Share Transfer Agents for dealing with electronic form of equity shares of the Company. The ISIN Code allotted to the Company is INE972A01020.
18. Members with identical order of names who are holding shares in multiple folios are requested to write to the Company enclosing their Share Certificates to enable the Company to consolidate their holdings into one folio.
19. Shareholders/Proxies/Authorised Representatives are requested to affix their signatures at the space provided on the Attendance Slip and surrender the same at the AGM venue.
20. Members/Proxies/Authorised Representatives are requested to bring the copy of the Annual Report for the AGM.

ANNEXURE TO THE NOTICE

Particulars of the Director seeking Reappointment / Appointment in the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement:

Name of the Director	Mr.Pradip D Kothari(DIN 01315682)
Date of Birth	08.12.1947
Date of Appointment	28.04.1972
Qualification	B.A.
Expertise	Industrialist
Directorships in other companies	Nil
Membership / Chairman in other companies	Nil
Committee Membership	Nil
Shareholding in Kothari Industrial Corporation Limited	Nil

Name of the Director	Mr.J.Rafiq Ahmed(DIN 02861341)
Date of Birth	17.08.1974
Date of Appointment	21.04.2017
Qualification	B.Com.
Expertise	Industrialist
Directorships in other companies	As listed below
Gemini Iron and Steel Private Limited	Director
Max Speed Freight & Logistics Private Limited	Director
Ton Ventures Private Limited	Director
Abra Hotels Private Limited	Director
Interactive Creation Limited	Director
Parveen Roadways Private Limited	Director
Abra Industries Private Limited	Director
Topguard International Security Force Private Limited	Director
Gemini Legal Consultants Private Limited	Director
Kothari Gemini Agro Industries	Partner
Parveen Roadways	Proprietor
Parveen Steel Re-Rolling Mill	Proprietor
Gemini Fertilizers	Proprietor

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

Item No.4

Mr.J.Rafiq Ahmed was first inducted into the Board at the Meeting of the Board of Directors held on 21st April 2017 was appointed as Managing Director at the meeting of the Board of Directors held on 28th September 2017 and his

tenure of his appointment is being sought for a period of five years from 28th September 2017 on remuneration and perquisites permissible under the Companies Act.

(By Order of the Board)

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place: Chennai
Date : 02.12.2017

PRADIP D KOTHARI
Chairman

Kothari Industrial Corporation Limited

REPORT OF THE DIRECTORS

Your Directors present herewith the Forty-seventh Annual Report for the year ended 31st March 2017 with the Statement of Profit and Loss for the Financial Year ended 31st March, 2017 and the Balance Sheet as on that date and the Auditors' Report thereon.

Summary of Financial

Results are as follows:

(Rupees in Lakhs)

	<u>2016-17</u>	<u>2015-16</u>
Turnover/ Income from Services	3438.19	5050.53
Profit/(Loss) before Interest and Depreciation	158.44	(57.95)
Interest and Finance Charges	317.15	2.92
Profit / (Loss) before Depreciation	(158.70)	(60.87)
Exceptional Items	-	-
Depreciation	411.23	506.25
Taxation	-	-
Loss for the year carried to Balance Sheet	(569.94)	(567.12)

DIVIDEND

In view of the continued losses, the Directors are unable to recommend any dividend for the year ended 31st March, 2017.

OPERATIONS:

The Turnover of NPK Mixtures, Straight fertilizers and Trading activities was Rs.3189.20 lakhs as compared to Rs.4835.63 lakhs in the previous year.

FUTURE PROSPECTS:

The Company continues to see several opportunities in Single Super Phosphat, NPK mixtures and other products. As you are aware the Company over past years could not cater to the market and has lost market share which has resulted in several measures including considering disposal of assets to meet the cash flow requirements. During the year the Directors thought it fit to explore new avenues in claiming back some of the market share lost in the principal

products of the company and sought inputs and recommendations for an action plan. Based on such recommendations from the senior management, the company would take appropriate measures to bolster the performance.

INDUSTRY OUTLOOK

With increased emphasis on augmenting agricultural and farm output the demand for super phosphate, NPK mixtures, nutrient based products etc., are bound to increase and the company with its vast dealer network is well positioned to meet the needs of the farmers in all the southern states. The company's "Horse Brand" products are winners in the market place.

DIRECTORS:

Considering the continued deterioration in the performance of the company and erosion of the market share for the products sold by company, the Company has requested Mr J.Rafiq Ahmed, an experienced entrepreneur to join the Board of Directors of the Company and in the meeting of Board of Directors of the Company dated September 28th 2017, Mr. J. Rafiq Ahmed has been appointed as Managing Director with effect from September 28th, 2017, for a term of five years, on such terms provided under the Companies Act, 2013.

Mr.J.Rafiq Ahmed was first inducted into the Board at the Meeting of the Board of Directors held on 21st April 2017 was appointed as Managing Director at the meeting of the Board of Directors held on 28th September 2017 and his tenure of his appointment is being sought for a period of five years from 28th September 2017 on remuneration and perquisites permissible under the Companies Act.

COMPANY SECRETARY:

The Company Secretary retired on 31st March 2016. A successor was appointed on 5th December 2016 left the services of the Company on 31st March 2017. The Company is on the look out for a suitable successor.

CORPORATE GOVERNANCE REPORT

The above report confirming the Board Meetings, various Committees etc., is annexed.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:-

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- 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 of the Profit or Loss of the Company for that period.
- c) There is a system for internal financial control and management which in the opinion of the management is effective.
- d) 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
- e) They have prepared the annual accounts on a going concern basis.
- f) 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
- g) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and being strengthened to operate effectively, excepting for certain procedural delays.

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 have adequate internal financial controls and are being further strengthened. A new Chief Financial Officer has since been appointed.

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 has received In-Principle approval from the Bombay Stock Exchange for revoking the suspension in trading of equity shares of the Company. Certain formalities are to be completed for getting the shares re-listed, subsequent to the receipt of this in-principle approval. The Company is in the process of completing such formalities.

SHARE CAPITAL:

The paid up equity share capital as on 31st March 2017 stands at Rs.955.54lakhs and the company has not issued any shares during the year under review.

DEPOSITS:

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

RELATED PARTY TRANSACTIONS:

There were no 'material' contracts or arrangements or transactions which were not at arm's length basis and therefore disclosure in form AOC-2 is not required.

EXTRACT OF ANNUAL RETURN:

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

MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE:

Your Company has complied with the requirements of the code of Corporate Governance as stipulated under Clause

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49 of the Listing Agreement with the Stock Exchange. A detailed report on Corporate Governance together with certification of the Chairman, Certificate of the Statutory Auditors on compliance with the Management Discussion and Analysis Report along with the Corporate Governance are attached and form part of the Annual Report as Annexures – B&C.

Further as required under Section 134(3)(c) of the Companies Act, 2013, the Directors' Responsibility Statement is also attached to this Report.

AUDITORS:

At the 46th Annual General Meeting of the company held on 28th September 2017 M/s. Arockiasamy&Raj, Chartered Accountants, Chennai, has been appointed as Statutory Auditors upto the conclusion of 48th Annual General Meeting and their reappointment is being sought to be retified at this 47th Annual General Meeting as required under the Act.

As regards certain observations in the Audit report, the Directors would like to clarify as below:

- i. The matter reported is lying with the superior court of the country and the company is awaiting the disposition of the same.
- ii. The company, during the earlier years, to overcome the difficulties in managing day to day affairs and meet various loan obligations and liabilities that arose to company has approached various parties with a view to sell certain of the properties of the company. Accordingly the company has entered into certain agreements with the subject party agreements and has received advance monies against such agreements. Further, the security of the companies moveable and immovable properties situated at fertiliser factory at Kathivakam village, Ennore are yet to be created. Meanwhile with a view to earning revenues, the company has leased the factory land, as was duly approved by the members in the 46th Annual General Meeting.

As explained in Note no. 4.2 and 35, in view that the first charge holders appeals are pending with the Supreme Court of India, the Company would await such outcome.

The Company continues to be the owner of the properties referred and is in receipt of rental income where such properties are leased out.

SECRETARIAL AUDIT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s.A.Satyadevi, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is attached vide Annexure – D.

With regard to the observations in the Secretarial Audit Report, the Company is taking steps to fill up the vacancy of Company Secretary and also comply with other procedural formalities.

With regard to the amount yet to be transferred to the Investor Education and Protection Fund, financial note no.8.1 is self explanatory.

All the above matters have no impact on the financial statements.

PARTICULARS OF EMPLOYEES:

There is no employee, particulars of whom are to be furnished under Sec.197 of the Companies Act, 2013. The list of top ten employees as required under Sec.197(12) of the Companies Act, 2013 is being forwarded to the Registrar of Companies; however, if any member requires copy that the same will be provided on request.

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.

On behalf of the Board of Directors
For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place : Chennai
Date : 02.12.2017

PRADIP D KOTHARI
Chairman

ANNEXURE- A
Form No.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2017
 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
 Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product /	% to total turnover of the company
1	Chemical Fertilizers	201	87.68%

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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016 (total no. of shares 19110885)				No. of Shares held at the end of the year 31.03.2017 (total no. of shares 19110885)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	1071980	2920432	3992412	20.89	1071980	2920432	3992412	20.89	0
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	101050	4926	105976	0.55	101050	4926	105976	0.55	0
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	0	4740247	4740247	24.80	0	4740247	4740247	24.80	0
Sub-total(A)(1):-	1173030	7665605	8838635	46.25	1173030	7665605	8838635	46.25	0
2) Foreign									
g) NRIs-Individuals	7431	96459	103890	0.54	7431	96459	103890	0.54	0
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	0	360000	360000	1.88	0	360000	360000	1.88	0
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	7431	456459	463890	2.43	7431	456459	463890	2.43	0
Total Public Shareholding (A)=(A)(1)+ (A)(2)	1180461	8122064	9302525	48.68	1180461	8122064	9302525	48.68	0

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016 (total no. of shares 19110885)				No. of Shares held at the end of the year 31.03.2017 (total no. of shares 19110885)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	20000	142556	162556	0.85	20000	142556	162556	0.85	0
b) Banks / FI	2603669	21836	2625505	13.74	2603669	21836	2625505	13.74	0
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	4267	-	4267	0.02	4267	-	4267	0.02	0
Foreign National Sub-total(B)(1)	2627936	164392	2792328	14.61	2627936	164392	2792328	14.61	0
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	329467	592976	922443	4.83	324621	597822	922443	4.83	0
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1448229	4645360	6093589	31.89	1453008	4640581	6093589	31.89	0
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	1777696	5238336	7016032	36.71	1777629	5238403	7016032	36.71	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4405632	5402728	9808360	51.32	4405565	5402795	9808360	51.32	0
C. Shares held by Custodian for GDRs&ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5586093	13524792	19110885	100.00	5586026	13524859	19110885	100.00	0

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ii. Share holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Pradip D Kothari	3266288	17.09	-	3266288	17.09	-	0
2.	Surekha P Kothari	111323	0.58	-	111323	0.58	-	0
3.	Maya D Kothari	76410	0.40	-	76410	0.40	-	0
4.	Mitali P Kothari	168090	0.88	-	168090	0.88	-	0
5.	Piyali P Kothari	203056	1.06	-	203056	1.06	-	0
6.	Antara P Kothari	167245	0.88	-	167245	0.88	-	0
7.	Kunal D Banker	6112	0.03	-	6112	0.03	-	0
8.	Aditi D Banker	2512	0.01	-	2512	0.01	-	0
9.	Avanti D Banker	4623	0.02	-	4623	0.02	-	0
10.	Asha Thayer	103890	0.54	-	103890	0.54	-	0
11.	Solaman Investments	360000	1.88	-	360000	1.88	-	0
12.	Kothari & Sons Nominees Pvt. Ltd.	105976	0.55	-	105976	0.55	-	0
13.	A. Rabindran Swamidas	2500000	13.08	-	2500000	13.08	-	0
14.	Rakesh Garg	1840000	9.63	-	1840000	9.63	-	0
15.	K. Santhanam	20000	0.10	-	20000	0.10	-	0
16.	N. Ravichandran	100000	0.52	-	100000	0.52	-	0
17.	T. Sankaran	40000	0.21	-	40000	0.21	-	0
18.	N. Srinivasan	40000	0.21	-	40000	0.21	-	0
19.	G. Mohan Das	60000	0.31	-	60000	0.31	-	0
20.	N.K. Sukkal	60000	0.31	-	60000	0.31	-	0
21.	N. Santharam	5000	0.03	-	5000	0.03	-	0
22.	A.R. Raja	2000	0.01	-	2000	0.01	-	0
23.	D. Ravindra Reddy	60000	0.31	-	60000	0.31	-	0
	Total	9302525	48.68	-	9302525	48.68	-	0

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

Sr. No	Date of Change	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	9302525	48.68	9302525	48.68
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	Shares sold	-	-	-	-
	Sub-total	-	-	-	-
	At the End of the year	9302525	48.68	9302525	48.68

iv. Shareholding Pattern of top ten Shareholders:

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

Sr.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2016		Shareholding at the end of the year 31.03.2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Life Insurance Corporation of India	1471629	7.70	1471629	7.70
2	A.Sahabudeen	1129793	5.91	1129793	5.91
3	The New India Assurance Co.	391673	2.05	391673	2.05
4	Ind Eco Ventures	260000	1.36	260000	1.36
5	The Oriental Insurance Co.	255947	1.34	255947	1.34
6	United India Insurance Company Ltd	207262	1.08	207262	1.08
7	Rajmohan	200000	1.05	200000	1.05
8	National Insurance Co. Ltd	180801	0.95	180801	0.95
9	General Insurance Corporation of India	95597	0.50	95597	0.50
10	Indra Kumar Bakri	37595	0.20	37132	0.19

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v. Shareholding of Directors and Key Managerial Personnel:

Sr.No.	Name of Directors	Shareholding at the beginning of the year 01.04.2016		Shareholding at the end of the year 31.03.2017	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Pradip D Kothari, Chairman	3266288	17.09	3266288	17.09
2	Mrs.Surekha P Kothari, Director (resigned w.e.f. 28.08.2017)	111323	0.58	111323	0.58

V. INDEBTEDNESS

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

(Rs. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1493.03	7.15	-	1500.18
ii) Interest due but not paid			-	-
iii) Interest accrued but not			-	-
Total(i+ii+iii)	1493.03	7.15	-	1500.18
Change in Indebtedness during the financial year				
- Addition	248.00		-	248.00
- Reduction	607.81		-	607.81
Net Change			-	-
Indebtedness at the end of the financial year				
i) Principal Amount	885.22	7.15	-	892.37
ii) Interest due but not paid	248.00		-	248.00
iii) Interest accrued but not due			-	-
Total (i+ii+iii)	1133.22	7.15	-	1140.37

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

No remuneration was paid to Mr.Pradip D Kothari, Chairman and Managing Director during the year 2016-17.

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
1. Independent Directors	Mr.Dilip Machado	Mr. D. Gunasekaran	
Sitting fee for attending board meetings	80000	80000	160000
Total(1)			160000
2.Other Non-Executive Directors	Mrs.Surekha P. Kothari	80000	80000
Sitting fee for attending board meetings	(resigned w.e.f. 28.08.2017)		
Total(2)			80000
Total(B)=(1+2)			240000

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

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

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VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

ANNEXURE - B

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Kothari Industrial Corporation Limited is engaged in the core business of manufacturing and trading of Fertilizers. The key issues relating to the line of activity are discussed below:

a) Internal Control Systems and their Adequacy :

Management has put in place effective Internal Control Systems to provide reasonable assurance for:

- Safeguarding Assets and their usage.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the Information used for carrying on Business Operations.

The Audit Committee is regularly reviewing the key areas of the operations additionally.

b) Financial and Operational Performance :

The details are already furnished in the report of Directors.

c) Human Resources Development and Industrial Relations :

The Company's relationship with its work force is cordial.

d) Cautionary Statement :

Statements in the Management Discussion and Analysis and Directors Report describing the Company's strengths, strategies, projections and estimates, are forward-looking statements and Progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors.

ANNEXURE – C

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy:

Kothari Industrial Corporation Limited firmly believes in the implementation of best practices of corporate

governance so that the Company could achieve its corporate goals and further enhance stakeholder value. It has been its endeavour to attach a great deal of importance on ensuring fairness, transparency, accountability and responsibility towards stakeholders, besides consistently implementing best possible practices by providing optimum level of information and benefits to the stakeholders.

2. Code of Conduct:

The Code of Conduct laid down by the Company is applicable to the Board of Directors and all the Senior Management of the Company. This Code of Conduct emphasizes the Company's commitment to compliance with the highest standards of legal and ethical behaviour. All the Directors and Senior Management have adhered to the Code of Conduct and have signed declarations of compliance to the Code of Conduct. The declaration signed by Mr. Pradip D. Kothari, Chairman is given separately in the Annual Report.

3. Board of Directors:

The Board of Directors consists of Chairman, one Managing Director, two Non-executive Independent Directors and One Non-executive Woman Director (resigned w.e.f. 28.08.2017). Details of the composition and attendance of the Board and Committees thereof and the shares of the Company held by them are given separately in this Report. Brief profile of the Directors being reappointed/appointed is already appended to the Notice convening the Annual General Meeting.

None of the Directors of the Company is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49(1)(C) of the Listing Agreement with the Stock Exchanges) across all companies in India of which he is a Director. All the Directors have certified that none of them are disqualified as on 31st March 2017 from being appointed as a Director in terms of sub-section (2) of 164 of the Companies Act, 2013.

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The non-executive Directors are entitled to sitting fees for every meeting of the Board attended by them. The Chairman & Managing Director does not receive any remuneration at present; however remuneration as

permissible under the Companies Act is being sought at the ensuing Annual General Meeting.

Directorship held by existing Directors and shares of the Company held by them as on 31st March, 2017 are given below:

Name of the Director	Number of other Companies Directorship	Number of other Companies Committees of which member	Number of shares of the Company held as on 31.03.2017
Shri.Pradip D. Kothari Chairman	Nil	Nil	3266288
Mrs.Surekha P Kothari Director (resigned w.e.f.28.08.2017)	Nil	Nil	111323
Mr. Dilip Machado	2	Nil	Nil
Mr. D. Gunasekaran	Nil	Nil	Nil

4. Audit Committee:

The Audit Committee presently consists of non-executive Independent Director Mr.Dilip Machado and Mr.D.Gunasekaran, non-executive Independent Director. Mr.Dilip Machado is the Chairman of the Audit Committee. The Chairman, Statutory Auditor and the Company Secretary are invitees to the Audit Committee Meetings. The terms of reference of the Audit Committee cover the matters specified in respect of such Committee under Clause 49 of the Listing Agreement. The broad terms of reference of the Audit Committee are to review financial reporting process and all financial results, statements and disclosures and recommend the same to the Board, review the internal control systems and procedures, to meet the statutory auditors reviewing related party transactions, compliance with the listing agreements and other legal requirements and the Company's financial and risk management policies and compliance with statutory requirements.

The Audit committee meetings were held on 04.08.2016, 04.11.2016 & 10.02.2017 and all members were present.

5. Share Transfer Committee:

The Board has constituted a Share Transfer Committee to approve the Share Transfers, Transmissions, Transposition of name, Issue of Split / Duplicate share

certificates, to ratify confirmations made to the demat requests received by the Company. The Committee consists of two Members namely Mr.Pradip D. Kothari and Mr.Dilip Machado. Mr.Dilip Machado is a non-executive independent Director. The Chairman of the Committee is Mr.Pradip D. Kothari. Share transfers are effected by the Registrars and Share Transfer Agents (R&TA) M/s.Integrated Registry Management Services Private Limited, Chennai, on the authorization given by the Board to the extent the shares are in the demat form. With respect to the shares held in physical form, the Company's share department undertakes the activities of share transfers etc.

9 Share Transfer Committee Meetings were held during the year on 30.04.2016, 14.07.2016, 02.08.2016, 14.09.2016, 03.10.2016, 03.11.2016, 13.01.2017, 27.01.2017 & 22.02.2017.

6. Stakeholders Relationship Committee:

The Board of Directors have constituted a Stakeholders Relationship Committee to address to the redressal of the investors complaints received by the Company / Registrar and Transfer Agents. The Committee consists of two non-executive Independent Director namely, Mr.Dilip Machado, Mr.D.Gunasekaran & Mr.Pradip D Kothari. During the year 8 complaints were

received from the investors and all of them were dealt with satisfactorily.

4 Stakeholders Relationship Committee Meetings were held on 30.06.2016, 30.09.2016, 31.12.2016 & 31.03.2017.

7. Nomination and Remuneration Committee:

The Company is in place a Nomination and Remuneration Committee consisting of Mr.Dilip Machado, Independent Director, Mr.D.Gunasekaran, Independent Director & Mrs.Surekha P Kothari (resigned w.e.f.28.08.2017), Non-Independent

Director. One Meeting of the committee held during the year on 05.12.2016.

8. Corporate Social Responsibility Committee:

As the Company has been incurring continuous losses for the last few years, CSR committee has not been formed and this will be done when the company earns profit.

9. Attendance of Directors:

Remuneration and attendance of Directors at the meetings of the Board or Committee thereof during the year ended 31st March, 2017 are given below:

Name of the Director	Board Meetings	Audit Committee Meetings	Share Transfer Committee Meetings	Stakeholders' Relationship Committee Meetings	AGM held on 30 th March 2016	Directors Sitting Fees Rs.
Shri.Pradip D. Kothari Chairman	8	0	9	4	Attended	Nil
Mrs.Surekha P Kothari Director (resigned w.e.f.28.08.2017)	8	0	Nil	Nil	Attended	80000
Mr.Dilip Machado Director	8	3	9	4	Attended	80000
Mr. D. Gunasekaran	8	3	0	4		80000

8 Board Meetings were held during the year on 06.05.2016, 04.08.2016, 26.09.2016, 03.10.2016, 04.11.2016, 05.12.2016, 10.02.2017 & 27.03.2017.

10. Disclosures:

- There were no materially significant related party transactions that had potential conflict with the interests of the Company at large.
- There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters.
- The Company has complied with all the mandatory requirements stipulated under Clause 49 of the Listing Agreement with the Stock Exchange.
- The Company have made compounding applications with National Company Law Tribunal(NCLT), Chennai Bench, for the delay in filing of annual accounts for the financial years 2014-15 & 2015-16.

11. Means of Communication:

As stipulated under Clause 41 of the Listing Agreement the quarterly / half-yearly results will be published by the Company in one English national newspaper and one Tamil newspaper within 48 hours of the conclusion of the Board Meeting in which the results are approved. They will also be displayed at the website of the Company.

12. General Shareholder Information:

- The Forty-seventh Annual General Meeting of the Company will be held on Saturday the 30th December 2017 at 11.00 a.m. at Company's Super Phosphate Factory situated at Kathivakkam Village, Ennore, Chennai 600057. The particulars of Annual General Meetings held during the last three years along with the special resolutions passed are as under:

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Year	Date & Time	Venue	Special Resolutions considered thereof	Result
2013-14	30.12.2014 11.00 a.m.	Rani Seethai Hall 603, Anna Salai, Chennai – 600006	Nil	-
2014-15	30.03.2016 10.30 a.m.	Company's Super Phosphate Factory at Ennore, Chennai - 600057	Nil	-
2015-16	28.09.2017 09.30 a.m.	Company's Super Phosphate Factory at Ennore, Chennai - 600057	Two Special Resolutions were considered at the 46thAGM held on 28.09.2017	Both Resolutions were approved

No resolution has been put through postal ballot.

(ii) **Book Closure dates:** Thursday the 28th December 2017 to Saturday the 30th December 2017 (both days inclusive).

13. Registrar and Share Transfer Agents:

All share registry work in respect of demat segments are handled by M/s. Integrated Registry Management Services Private Limited., II Floor, "Kences Towers", 1, Ramakrishna Street, off North Usman Road, T.Nagar, Chennai 600 017 as the Registrar and Transfer Agent (R&TA) of the Company for all aspects of Investor servicing relating to the demat of shares and the physical shares are handled by the Company's shares department.

14. Distribution of shareholding as on 31st March, 2017:

No. of Shares	Shareholders		Shares	
	Number	%	Number	%
1 to 100	42292	81.55	1917421	10.03
101 to 200	5668	10.93	913906	4.78
201 to 500	2820	5.44	930110	4.87
501 to 1000	708	1.36	527348	2.76
1001 to 5000	263	0.51	469445	2.46
5001 to 10000	26	0.05	174672	0.91
10001 AND ABOVE	83	0.16	14177983	74.19
TOTAL	51860	100.00	19110885	100.00

15. Shareholding Pattern as on 31st March, 2017:

Sl.No.	Category	No. of holders	No. of shares	%
A	Promoters	24	9302525	48.67
B	Others			
1	Residents(individuals/clearing members)	51509	6257981	32.75
2	Financial Institutions/Insurance Co./Banks/UTI	45	2623669	13.73
3	Bodies Corporate	257	922443	4.83
4	Non Resident Indians	25	4267	0.02
	Total	51860	19110885	100.00

16. Dematerialization of shares:

As on 31st March 2017, 55,86,026 equity shares were held in dematerialized form representing about 29.23% of the total shares. The balance were held in physical form.

16. Address for Correspondence:

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

M/s. Integrated Registry Management Services Private Limited,

CIN No.U74900TN2015PTC101466

II Floor, "Kences Towers",

1, Ramakrishna Street,

off North Usman Road, T.Nagar,

Chennai 600 017

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

The Compliance Officer

M/s.Kothari Industrial Corporation Limited

"Kothari Buildings"

No.114/117, Mahathma Gandhi Salai,

Nungambakkam,

Chennai – 600 034.

Phone No.044-28334565

Fax No.044-28334581

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

E-mail: enquiries@kotharis.in /
complianceofficer@kotharis.in

17. Green initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by providing an opportunity to the shareholders to register their e-mail address with the Company and changes therein from time to time.

The Company would send notices / documents such as Annual Reports and notices by e-mail to its shareholders registering their e-mail address. To support this laudable move of the Government, the Members are requested to register their e-mail address at the earliest, in respect of demat holding through the respective Depository Participant (DP) and in respect of physical holding through the Registrars and Transfer Agents M/s.Integrated Registry Management Services Private Limited (or) directly to the Company.

While every notice/document will be sent through e-mail address registered with the Company, in case you desire to receive any notice/document in physical form, please intimate by e-mail and the same shall be sent to your address registered with the Company/D.P.:

Certification of the Chairman to the Board with respect to adherence and declaration of compliance with Code of Conduct:

I, Pradip D. Kothari, Chairman of Kothari Industrial Corporation Limited hereby certify that

- (a) I have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee,

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deficiencies in the design or operation of internal controls if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- (d) I have indicated to the auditors and the Audit Committee that:
- (i) There has not been any significant change in the internal control over financial reporting during the year under review.
 - (ii) There has not been any significant change in the accounting policies during the year requiring disclosure in the notes to the financial statements and
 - (iii) To the best of my knowledge and belief, there was no instance of any significant fraud during the year with the involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Chennai
Date : 02.12.2017

Pradip D. Kothari
Chairman

Declaration on compliance with Code of Conduct

Pursuant to Clause-1(D) of Clause 49 of the Listing Agreement, it is hereby affirmed that for the financial year ended 31st March, 2017, all the Board members and Senior Management personnel have affirmed compliance with the Code of Conduct adopted by the Company.

Place : Chennai
Date : 02.12.2017

Pradip D. Kothari
Chairman

Certificate on Corporate Governance

To

The Members of Kothari Industrial Corporation Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Kothari Industrial Corporation Limited ("the company") for the year ended March 31, 2017, as per the provisions of regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated above. 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, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions

of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable, with the exception of appointment of Chief Financial Officer and qualified Company Secretary during the year and certain procedural requirements mentioned in the Secretarial Audit Report dated 02.12.2017.

We further state that such compliance 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.

Restrictions on Use

This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Place : Chennai
Date : 02.12.2017

R. Srinivasan
Practising Company Secretary

Declaration

As provided under regulation 26(3) of the SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for Board of Directors and Senior Management for the year ended March 31, 2017.

For Kothari Industrial Corporation Limited

Place : Chennai
Date : 02.12.2017

Pradip D. Kothari
Chairman

Kothari Industrial Corporation Limited

ANNEXURE - D

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2016-17

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

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

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

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

That in my opinion, the company has, during the audit period covering the financial year 2016-17 has complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year 2016-17 to the provisions of

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

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

Company is yet to comply with following provisions of the Act:-

- ❖ *The Company had not filed the e-form MGT-14 for the transactions like approval of annual accounts, appointment of internal auditors and secretarial auditors as per the regulations of Companies Meeting of Board and its powers Rules 2014.*
- ❖ *Though the Company had created the security for the borrowings and registered the same with Registrar of Companies, Chennai, the same was not appearing in the Index of Charges in the Ministry of Corporate Affairs portal.*

Also the company's property has been offered as Collateral security to Gemini Iron and Steel Private Limited and no charge has been filed with the ROC, Chennai.

- ❖ *The Company had convened the Annual General Meeting for FY 2015-16 on 28th September 2017 and has made an application for compounding of offence with NCLT, Chennai and is pending before them.*
- ❖ *The Company had not paid the listing fee to the Bombay Stock Exchange from FY 2014-15 onwards.*
- ❖ *The compliance of SEBI and reporting requirements under the listing agreement were not complied with .*
- ❖ *The Company had not transferred an amount of Rs.6.98 Lakhs to the Investor Education and Protection Fund set up by the Ministry of Corporate Affairs relating to previous years.*
- ❖ *The Company was not regular in payment of statutory dues to the Government Authorities.*
- ❖ *The accumulated losses of the Company, exceeds its net worth.*
- ❖ *The Register of Members is not in consonance with the provisions of the Companies Act, 2013 and listing requirements.*

The above non-compliances attract the penal provisions prescribed under the respective sections of the Companies Act, 2013.

I further report that:-

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' view are captured and recorded as part of the minutes.

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

Place : Chennai

Date : 2nd December, 2017

A. SATYADEVI
(COMPANY SECRETARY IN PRACTICE)
CP NO. 2307

Kothari Industrial Corporation Limited

Independent Auditors' Report

To the Members of
KOTHARI INDUSTRIAL CORPORATION LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **KOTHARI INDUSTRIAL CORPORATION LIMITED** ("**the Company**") which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and according to the information and explanations given to us by the company during the course of audit, we state that,

1. *The company has not provided for any further amount payable to HDFC bank on the amount outstanding of Rs 285.23 lacs (Alleged Assignee: Bekae Properties) in addition to the liability provided for in the books of accounts since the liability amount has not been finally quantified (Refer Note No 4.2 to the Notes on accounts)*
2. *The company has entered into a sale agreement (unregistered) dated 18/02/2015 of its property at 114, Mahatma Gandhi Salai, "Kothari Buildings", Chennai – 34, consisting of 2/3rd undivided share (i.e.,) 6.33 grounds of land in the total land of 9.5 grounds along with built up area in ground, first, fourth and fifth floors with all the common rights of enjoyment I the stairways, lift, car parking and other common rights being part of the main building for a total consideration of Rs 45 crores with Gemini Iron and Steels Pvt Ltd (Purchaser) and has received Rs 20.54 crores as advance towards such sale. The approval of the shareholders required u/s 180(1) of the Companies Act, 2013 has not been obtained in respect of the transaction (Refer Note No 9.2 to the Notes on accounts)*

The Company has entered into lease agreement in respect of the lease of north wing of the fifth floor of Kothari Building as also tripartite agreement with the tenant and the agreement holder by virtue of which the company has given consent for the payment of the monthly rent in respect of the said lease to the agreement holder. The Company has not explained to us whether such rent paid to agreement holder would be in addition to the sale consideration or refundable to the company.. Though the agreement of sale dated 18/02/2015 in clause No.22 stipulates that the company shall agree to handover the possession of the schedule property viz., the Ground, First, Fourth and Fifth floors and rights over the terrace floors of Kothari Building to the purchaser at the time of execution of sale deed, the tripartite agreement made on 12/03/2015 mentions that the company has handed over the physical possession of the leased property to the purchaser.

The company in the said sale agreement dated 18/02/2015 at clause No.7 has agreed to give its property of land and machineries of Fertiliser factory at Kathivakkam Village, Ennore to a total extent of around 40 acres as additional security to the purchaser. The resolution passed in the Board Meeting held on 30/12/2014 has not authorised the Company or its Chairman for agreeing to provide such additional security. (Refer Note No 35 to the Notes on accounts)

3. *Confirmation of balances has been obtained only from 42% of the total value of Sundry debtors and 29% of the total value of sundry creditors. (Refer Note No 36 to the Notes on accounts)*

Subject to the qualifications mentioned above, we state that:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- i. of the state of affairs of the Company as at March 31, 2017;
- ii. its Loss for the year ended on that date and
- iii. its Cash Flow for the year ended on that date.

Emphasis of Matter

Without qualifying our report we draw attention to the following :

- a. *The company has not provided for the interest payable on the loan taken from Mrs. Manjula Surendar which according to the loan agreement should bear at 18% p.a on the outstanding amount of Rs 1.70 crores. The company is negotiating an One Time Settlement with her which should also take note of the interest. As interest is not quantifiable, no interest has been provided for.(Note No. 32 to the Notes on Accounts)*

Kothari Industrial Corporation Limited

- b. With respect to the legal cases under adjudication/ negotiation, the company does not expect any significant cash outflow and possible claims are not quantifiable at present and accordingly no provision has been made in the books of accounts.(Note No. 34 to the Notes on Accounts)**
- c. The non-compliances highlighted by the Company Secretary in her Secretarial Audit report may attract the penal provisions prescribed under the respective sections of the Companies Act 2013.**

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. Except for the effect of the matter described in points 1,2,3 and 9 of the Opinion Paragraph we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The Company had not transferred an amount of Rs 6.98 Lakhs, relating to the previous years, to the Investor Education and Protection Fund set up by the Ministry of Corporate Affairs. (refer note no 8.1 to the Notes on Accounts)** However, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.
 - iv. The Company has accumulated losses at the end of the financial year which is more than the paid up share capital of the Company.**
 - v. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit

procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

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. 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, income tax (tax deducted at source), professional tax and property tax.**
 - (a) **According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has not been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.**

According to the information and explanations given to us, the extent of arrears of undisputed amount outstanding as on 31st March 2017 for a period of more than six months from the date they became payable, as certified by the Management is as under

Rs.

<i>Income Tax (TDS)*</i>	60,51,992
<i>Professional Tax</i>	16,94,325
<i>Property Tax (factory – disputed)</i>	38,73,661

*since remitted Rs.7,10,955/-

Kothari Industrial Corporation Limited

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

Name of the Statute	Nature of dues	Amount	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 fertilizers, 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. **In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of dues to banks and financial institutions.** However, the Company has not issued any 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. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
11. 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.
12. 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.
13. 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.
- In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

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

We have audited the internal financial controls over financial reporting of Kothari Industrial Corporation Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Kothari Industrial Corporation Limited

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

Based on the information provided to us by the management of the company, internal audit has not been conducted for the financial year under review. Further, the Audit Committee of the company had not frequently met to consider and approve the quarterly & half-yearly financials and the office of the Chief Financial Officer was vacant during the year. Hence in our opinion, the company has to take steps to strengthen its Internal Financial Control.

Chennai
Dated: 02.12.2017

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

(A.Nagarajan)
Partner
Membership No.020680

KOTHARI INDUSTRIAL CORPORATION LIMITED
BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note No	Rupees in Lacs	
		As at 31st March 2017	As at 31st March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
Share Capital	2	955.54	955.54
Reserves and Surplus	3	(2,671.07)	(2,101.13)
Money received against share warrants			
(2) Share application money pending allotment			
		-	-
(3) Non-Current Liabilities			
Long-term borrowings	4	285.23	1,493.03
Other Long term liabilities	5	924.73	929.48
Long-term provisions	6	157.88	175.73
(4) Current Liabilities			
Short-term borrowings	7	855.15	9.60
Trade payables		443.54	732.37
Other current liabilities	8	3,778.39	3,098.23
Total		4,729.39	5,292.85
II. ASSETS			
(1) Non-current assets			
<i>Fixed assets</i>			
(i) Tangible assets	9(a)	2,706.37	3,123.59
(ii) Intangible assets	(b)	3.02	5.04
Non-current investments	10	5.20	5.20
Deferred tax assets (net)		778.03	778.03
Long term loans and advances	11	320.67	298.55
Other non-current assets	12	0.50	0.50
(2) Current assets			
Inventories	13	182.82	254.32
Trade receivables	14	235.72	290.85
Cash and cash equivalents	15	121.22	158.50
Short-term loans and advances	16	375.84	378.27
Total		4,729.39	5,292.85

As per our Report of even date

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

A. Nagarajan
 Partner
 Membership No.020680
 Place: Chennai
 Date: 02.12.2017

For and on behalf of the Board

Pradip D Kothari
 Chairman

J. Rafiq Ahmed
 Vice Chairman &
 Managing Director

V. Singaravel
 Chief Financial Officer

Kothari Industrial Corporation Limited

Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No	Rupees in Lacs	
		As at 31st March 2017	As at 31st March 2016
Revenue from operations	18	3,189.20	4,835.63
Other Income	19	248.99	214.90
		<u>3,438.19</u>	<u>5,050.53</u>
<i>Expenses:</i>			
Cost of materials consumed	20	159.05	703.22
Purchase of Stock-in-Trade		2,391.72	3,310.86
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	69.22	10.56
Employee benefits	22	126.88	153.13
Financial costs (refer note no. 4.2 & 7.2)	23	317.15	2.92
Depreciation and amortization expense		411.23	506.25
Other expenses	24	532.88	930.71
		<u>4,008.13</u>	<u>5,617.65</u>
Profit before exceptional and extraordinary items and tax		(569.94)	(567.12)
Exceptional Items	25	-	-
Profit before tax		<u>(569.94)</u>	<u>(567.12)</u>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Profit/(Loss) for the period		<u>(569.94)</u>	<u>(567.12)</u>
Earning per equity share:			
(1) Basic		(2.98)	(2.97)
(2) Diluted		(2.98)	(2.97)

As per our Report of even date

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

A. Nagarajan
Partner
Membership No.020680
Place: Chennai
Date: 02.12.2017

For and on behalf of the Board

Pradip D Kothari
Chairman

J. Rafiq Ahmed
Vice Chairman &
Managing Director

V. Singaravel
Chief Financial Officer

CASH FLOW STATEMENT

	For 2016-17 Rs Lakhs	For 2015-16 Rs Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(569.94)	(567.12)
ADD:		
NET DEPRECIATION FOR THE YEAR AFTER ADJ,	<u>411.23</u>	<u>506.25</u>
	(158.70)	(60.87)
LESS		
LOSS ON DISPOSAL OF ASSETS	(2.52)	(9.84)
INTEREST	(317.15)	(2.13)
INTEREST RECEIPTS	1.52	2.17
DIVIDENDS	-	-
	<u>(318.14)</u>	<u>(9.80)</u>
	159.44	(51.07)
LESS: INCREASE IN CURRENT ASSETS/ CURRENT LIABILITIES		
INVENTORIES	71.50	12.24
SUNDRY DEBTORS	55.14	(53.40)
LOANS AND ADVANCES	(19.70)	83.47
	<u>106.94</u>	<u>42.31</u>
CURRENT LIABILITIES AND PROVISIONS	(366.28)	(38.65)
	<u>(473.22)</u>	<u>(80.96)</u>
CASH FLOW NET CASH FLOW FROM OPERATING ACTIVITIES(A)	632.65	26.89
	632.65	29.89
B) CASH FLOW FROM INVESTING ACTIVITIES INFLOW		
INTEREST RECEIPTS	1.52	2.17
DIVIDENDS	-	-
PROFIT ON SALE OF ASSETS	-	-
	<u>1.52</u>	<u>2.17</u>

Kothari Industrial Corporation Limited

OUTFLOW			
NETT INCREASE IN FIXED ASSETS	(5.48)	(11.51)	
DEFERRED REVENUE EXPENSES	-	-	
NETT INCREASE IN INVESTMENTS	-	-	(11.51)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(5.48)		13.68
B) CASH FLOW FROM FINANCING ACTIVITIES			
RESERVES			
LOAN FUNDS	(607.78)	(67.96)	
SHARE CAPITAL	(0.00)	50.00	
INTEREST PAID	(69.15)	-	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(676.93)		(17.96)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(37.28)		25.61
CASH AND CASH EQUIVALENT OPENING BALANCE	158.50		132.89
CASH AND CASH EQUIVALENT CLOSING BALANCE	121.22		158.50

As per our Report of even date

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

A. Nagarajan
Partner
Membership No.020680
Place: Chennai
Date: 02.12.2017

For and on behalf of the Board

Pradip D Kothari
Chairman

J. Rafiq Ahmed
Vice Chairman &
Managing Director

V. Singaravel
Chief Financial Officer

NOTES TO ACCOUNTS

A BACK GROUND

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.

B Significant Accounting Policies

The financial statements are prepared on accrual basis of accounting and in accordance with the applicable Accounting Standards.

i Revenue Recognition

Revenue is recognized on accrual basis and is inclusive of excise duty wherever applicable.

ii Foreign Currency Transactions

Foreign Currency transactions are recorded at the rates prevailing on the date of the transactions. Exchange differences arising on settlement are recognized in the statement of Profit & Loss. Outstanding foreign balances are restated at exchange rates prevailing on the Balance Sheet date.

iii Employee Benefits

Short term employee benefits are estimated and provided for. Further Company's contribution to Provident Fund, Employees State Insurance and other funds are determined under the relevant schemes and/or statute are charged to revenue. Gratuity and Leave encashment are based on reasonable estimates based on past trend of employee retrenchment/attrition.

iv Fixed Assets

Fixed Assets are valued at cost. Most of the fixed assets were revalued in the past earlier years to reflect the true value of such assets and the incremental appreciation on account of such revaluation was credited to Fixed Assets Revaluation Reserve in earlier years.

v Depreciation

Depreciation is provided on Written Down value method on all assets at the appropriate rates in accordance with Schedule II to the Companies Act, 2013. The incremental differential depreciation on account of revaluation of certain depreciable assets is charged against Fixed Assets Revaluation Reserve account.

vi Borrowing Cost

Interest cost on qualifying asset being an asset necessarily takes a substantial period of time to get ready for its intended use or sale, is capitalized at the weighted average rate of the funds borrowed and utilized for acquisition of such assets.

vii Impairment of Assets

The carrying cost of assets are reviewed at each Balance Sheet date and if there is any indication of impairment based on internal/external factors, the same is recognized and provided for.

viii Investments

Investments meant to be held for long term are carried at cost.

ix Inventories

Fertilizer mixtures are valued at lower of cost and net realizable value following first in first out method. Raw materials, Stores and Spare parts are valued at weighted-average cost and are inclusive of excise duty and other taxes wherever applicable.

Kothari Industrial Corporation Limited

Note

No. 1

The company is engaged in the manufacture of Single Super Phosphate at its factory at Ennore near Chennai and is also engaged in mixing of fertilizers and has a network of distributors in the southern states. With the operation of the fertilizer factory and the continuing profits on other trading activities, the company is confident of a regular cash flow. Further with the continued commitments of the investor to settle the secured and unsecured creditors and to meet the future contingency of funds, the company will continue to be in operation and will generate sufficient cash flow to meet its commitments. In view of the foregoing, the preparation of the accounts on the basis of the principles applicable to a going concern is both relevant and appropriate.

No. 1.1

The company's networth has been eroded due to past losses. The company has however turned the corner and with the infusion of funds by the co-promoter, the company is poised for increase production and profitability and cash flows, the company has significant plans for expanding the capacity, acquisition and installing a new granulation plant. In view of this, accounts has been provided on the basis of the principles applicable to a going concern.

Rs. in lakhs

2. Share Capital	March 31, 2017	March 31, 2016
Authorised Share capital 5,00,00,000 (31st March 2011: 5,00,00,000) Equity Shares of Rs.5 each	2500.00	2500.00
Issued Share Capital 1,58,99,052 (31st March 2011: 1,58,99,052) Equity Shares of Rs.5 each	794.95	794.95
Subscribed Share Capital 1,56,19,052 (31st March 2011: 1,56,19,052) Equity Shares of Rs.5 each	780.95	780.95
Fully Paid up Share Capital 1,24,83,885 (31st March 2011: 1,24,83,885) Equity Shares of Rs.5 each	624.19	624.19
66,27,000 (31st March 2016) Equity Shares of Rs.5 each	331.35	331.35
Total	955.54	955.54

(a) Reconciliation of Number of shares

Rupees in Lacs

	March 31, 2017	March 31, 2016
	No. of Shares	Amount
Equity Shares		
Balance as at the beginning of the year	19,110,885	955.54
Balance as at the end of the year	19,110,885	955.54

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

Rupees in Lacs

	Percentage	March 31, 2017
Equity Shares		
Mr. Pradip D Kothari	17.09%	3,266,288
Life Insurance Corporation of India	7.70%	1,471,629
Mr. A. Sahabudeen	5.91%	1,129,793
Total		5,867,710

2.1 Additional Disclosures

Out of the Paid-up Capital

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

Rs. in lakhs

	March 31, 2017	March 31, 2016
Reserves and Surplus		
Capital Reserves	65.85	65.85
Capital Redemption Reserves	18.00	18.00
Securities Premium Account	-	-
Debenture Redemption Reserves	-	-
Revaluation Reserves	-	-
Deficit	(2,754.92)	(2,184.98)
Total	(2,671.07)	(2,101.13)

	March 31, 2017	March 31, 2016
Capital Reserves		
Balance at the beginning of the year	65.85	65.85
Balance as at the end of the year	65.85	65.85

Kothari Industrial Corporation Limited

Rs. in lakhs

3.2	March 31, 2017	March 31, 2016
<u>Capital Redemption Reserves</u>		
Balance at the beginning of the year	18.00	18.00
Balance as at the end of the year	18.00	18.00

3.3	March 31, 2017	March 31, 2016
<u>Revaluation Reserves</u>		
Balance at the beginning of the year	2,329.69	2,329.69
Add: Additions during the year	-	-
Less : Appropriations	-	-
Balance as at the end of the year	2,329.69	2,329.69

3.4	March 31, 2017	March 31, 2016
<u>Deficit</u>		
Balance at the beginning of the year	(2,184.98)	(3,914.83)
ADD: Transfer from revaluation reserve	-	2,329.69
Profit/(Loss) for the year	(569.94)	(567.12)
Less: Depreciation adj. company act 2013	-	32.71
Deficit as at the end of the year	(2,754.92)	(2,184.98)

4	March 31, 2017	March 31, 2016
<u>Long-term borrowings</u>		
Secured Term Loans - From Banks	285.23	1,493.03
Total	285.23	1,493.03

4.1 Loans and advances from banks are secured on immovable properties and current assets of the Company and guaranteed in certain cases by the promoter.

4.2 The claim of interest on loan availed from HDFC Bank (alleged assignee Bekae Properties) is not quantifiable at present since the subject matter is pending before the Hon'ble High Court of Madras. In respect to the subject matter, to deposit a sum of Rs.7 crores 9 lakhs, the High Court of Madras, vide order dated 16.8.2016, has permitted the sale of the mortgage property i.e. Kothari Building in favour of Gemini Iron and Steel Private Limited. Aggrieved by the said order, the said HDFC bank and the alleged assignee Bekae Properties Private Limited have filed Special Leave Petition before the Hon'ble Supreme Court of India and the same is pending.

Rs. in lakhs

5	March 31, 2017	March 31, 2016
<u>Other long term liabilities</u>		
Others	924.73	929.48
Total	924.73	929.48

6	March 31, 2017	March 31, 2016
<u>Long-term provisions</u>		
Provision for Gratuity	157.88	175.73
Total	157.88	175.73

7	March 31, 2017	March 31, 2016
<u>Short-terms borrowings</u>		
Unsecured Loans repayable on demand		
-from Banks	855.15	7.15
-from other parties	-	2.45
Total	855.15	9.60

7.1 Loans and advances from banks are secured on immovable properties and current assets of the Company and guaranteed in certain cases by the promoter.

7.2 Includes Rs. 848 lakhs since settled by an assignee being a private Limited company belonging to Managing Director which includes Rs. 248 lakhs being accounted as financial charges.

8	March 31, 2017	March 31, 2016
<u>Other current liabilities</u>		
Current maturities of long term debt	-	2.59
Interest accrued and due on borrowings	54.24	54.24
Unclaimed Dividends	6.98	6.98
Rent Deposit	137.52	137.52
Statutory dues including PF and TDS	143.02	132.24
Salaries & Wages Payable	114.84	124.00
Other payables *	3,321.79	2,640.66
Total	3,778.39	3,098.23

* includes a sum of Rs.20.54 crores received from Gemini Iron and Steel Pvt. Ltd. towards advance for sale of 4 floors in Kothari Buildings, Nungambakkam, Chennai.

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

Kothari Industrial Corporation Limited

9 (a) Tangible Assets

Rupees in Lakhs

Assets	Gross Block		Depreciation		Net Block	
	April 1, 2016	March 31, 2017	April 1, 2016	March 31, 2017	March 31, 2017	March 31, 2016
Land	8.56	8.56	0.00	0.00	8.56	8.56
Buildings	6433.60	6433.60	3398.01	3792.63	2640.97	3035.59
Plant & Machinery	795.84	796.31	733.57	744.50	51.81	62.27
Furniture & Fittings	110.84	110.84	110.37	110.52	0.32	0.47
Vehicles	104.33	84.14	87.64	79.42	4.72	16.69
March 31, 2017	7453.17	7433.45	4329.59	4727.07	2706.37	3123.59
March 31, 2016	7560.27	7547.03	3451.91	3866.62	3680.41	4108.35
9 (b) Intangible Assets						
SAP Software	20.01	20.01	14.97	16.98	3.02	5.04
March 31, 2017	20.01	20.01	14.97	16.98	3.02	5.04
March 31, 2016	20.01	0.00	11.61	14.97	5.04	8.40

9.1 Additional Disclosure

- i) Part of the “Kothari Building” belonging to the Company was revalued at the fair market value on 31st March 2002 by an approved valuer.
- (ii) “Kothari Building” belonging to the Company was again revalued at the fair market value on 31st March 2012 by an approved valuer.
- (iii) The appreciation in the value of the above fixed assets has been credited to Fixed Asset Revaluation Reserve.

9.2 The company has entered into a sale agreement (unregistered) with M/s.Gemini Iron and Steel Pvt. Ltd. for sale of four floors consisting of Ground, First, Fourth and 5th Floor along with undivided share of 6.33 grounds of land out of 9.5 grounds in Kothari Buildings, Chennai, for a total consideration of Rs.45 crores and has received an advance of Rs.20.54 crores. The matter is under process.

Rs. in lakhs

10	March 31, 2017	March 31, 2016
Non-current Investments		
Investments in Equity instruments - 52000 shares of Katiken Logistics Ltd @ Rs. 10 each	5.20	5.20
Total	5.20	5.20

11	March 31, 2017	March 31, 2016
Long Term Loans and Advances		
Secured considered good		
Capital Advances		
Security Deposits	102.67	101.94
Sub Total	102.67	101.94
Unsecured considered good/Doubtful		
-Rental Deposit	9.84	7.40
Sub Total	9.84	7.40
Advances recoverable in cash or in kind	19.82	0.89
Other loans & advances		
- Balances with Govt. Authorities	188.34	188.34
Sub Total	188.34	188.34
Total	320.67	298.55

Kothari Industrial Corporation Limited

Rs. in lakhs

12	March 31, 2017	March 31, 2016
Other non-current assets		
Others		
Long term deposits with Banks with maturity more than 12 months	0.50	0.50
Total	0.50	0.50

13	March 31, 2017	March 31, 2016
Inventories		
Raw materials	-	-
Work in progress	-	-
Finished goods	45.65	114.87
Stock in trade(Land)	121.75	121.75
Others		
- Packing Materials	15.42	17.70
Total	182.82	254.32

Details of Finished Goods Inventory

13.1	March 31, 2017z	March 31, 2016
(i) Goods Manufactured		
- NPK Mixtures	3.12	10.48
(ii) Details of Traded goods		
- Agro Products	1.18	0.12
- Micro & Bio Products	2.11	0.33
- ST. Fertilisers	18.63	56.49
- NPK Mixtures	18.65	44.77
- Pesticides	1.96	2.68
Total	45.65	114.87

14	March 31, 2017	March 31, 2016
Trade receivables		
Unsecured, considered good		
- Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
- Others	235.51	290.64
Unsecured, considered doubtful		
- Outstanding for a period exceeding 6 months from the date they are due for payment	0.21	0.21
Total	235.72	290.85

Rs. in lakhs

	March 31, 2017	March 31, 2016
15		
Cash and cash equivalents		
Balances with banks		
- In current account	16.57	147.47
- Cheques on hand	100.00	-
Cash in hand	4.65	11.03
Total	121.22	158.50
16		
Short term loans and advances		
Loans and advances unsecured and considered good	239.64	258.14
-Advance Income tax	136.20	120.13
Total	375.84	378.27
17		
Contingent liabilities and commitments (to the extent not provided for)		
Contingent liabilities		
Claims against the company not acknowledged as debt		
-Disputed sales tax demands under appeal including stay of recovery granted for Rs.854.65 lakhs (Rs.20.50 lakhs paid under protest included under advances) (Based on another Supreme Court order and legal Opinion such demands may not be sustainable)	876.89	876.89
-Others (Exclusive of Interest)	145.00	145.00
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
Total	1,112.96	1,112.96
18		
Revenue from Operations (for companies other than a finance company)		
Revenue from - Sale of Fertilisers	3,191.25	4,841.34
Other operating revenues	-	-
Less: Excise Duty	2.05	5.71
Total	3,189.20	4,835.63

Kothari Industrial Corporation Limited

Rs. in lakhs

18.1	Particulars	March 31, 2017	March 31, 2016
	(i) Details of Sales (Finished goods)		
	- SSP	-	-
	- NPK Mixtures	2,041.59	418.23
	(ii) Details of Sales (Traded goods)		
	- Agro Products	302.26	396.08
	- Micro & Bio Products	79.98	307.27
	- ST. Fertilisers	626.21	954.44
	- NPK Mixtures	130.33	2,731.22
	- Pesticides	10.20	30.55
	- Packing Materials	0.68	3.55
	Total	3,191.25	4,841.34

19		March 31, 2017	March 31, 2016
	Other Income		
	Interest on Deposits	1.52	2.17
	Duty Draw Back	-	-
	Lease Rental Receipts	189.78	131.07
	Dividend income	-	-
	Discount received	-	-
	Net gain / loss on sale of investments	-	-
	Foreign Exchange Gain	-	-
	Royalty Receipts	15.98	14.57
	Receipts on Sale of Land	-	-
	Other non-operating income	-	-
	- Other Income	41.71	67.09
	Total	248.99	214.90

20		March 31, 2017	March 31, 2016
	Cost of Materials consumed		
	Raw materials consumed		
	Opening stock	-	-
	Add: Purchases (Net)	159.05	703.22
	Less: Inventory at the end of the year	-	-
	Cost of Materials consumed during the year	159.05	703.22
	Total	159.05	703.22

Rs. in lakhs

21	March 31, 2017	March 31, 2016
Changes in inventory of finished goods and Work in progress		
(Increase)/decrease in stock		
Stock at the end of the year:		
Finished goods	45.65	114.87
Land held as stock-in-Trade	121.75	121.75
Total A	167.40	236.62
Stock at the beginning of the year:		
Finished goods	114.87	141.43
Land converted into Stock-in-Trade on 1st April 2007	160.27	160.27
Add: Land Converted into Stock-in-Trade	414.78	414.78
Less: Transferred on Sale of Land	(453.29)	(469.29)
Total B	236.62	247.19
Total	69.22	10.56

22	March 31, 2017	March 31, 2016
Employee Expense		
Salaries and wages	115.23	138.13
Contribution to PF	9.11	11.23
Staff welfare expenses	2.54	3.77
Total	126.88	153.13

23	March 31, 2017	March 31, 2016
Finance Costs		
Interest	317.15	2.13
Other borrowing costs	-	0.79
Total	317.15	2.92

Includes Interest on short term loan to Kotak mahindra bank amounting to Rs. 2.48 crores provided.

Kothari Industrial Corporation Limited

24	March 31, 2017	March 31, 2016
Other Expenses		
Consumption of stores and Packing Materials	18.95	36.91
Power and fuel	6.96	10.57
Rent	42.14	46.20
Audit Fees		
- Statutory Audit	2.75	2.50
- Tax Audit	-	-
Repairs to buildings	9.83	13.45
Repairs to machinery and others	10.09	74.51
Director Sitting Fee	-	2.30
Insurance	1.50	5.12
Rates & Taxes	6.16	8.02
Travelling expenses	28.02	38.38
Professional Charges	32.57	63.46
Selling Expenses	256.89	414.19
Loss on Sale of Asset	2.52	0.11
Other Manufacturing expenses	37.93	81.75
Other Expenses	76.57	133.24
Total	532.88	930.71

25	March 31, 2017	March 31, 2016
Exceptional Items		
Debit / Credit of Earlier Years	-	-
One time Settlement of Bank / Financial Institution	-	-
Interest (Prior Period)	-	-
Depreciation (Prior Period)	-	-
Total	-	-

26. Related Parties Disclosure:

(i) Name of the Key Management Personnel:

Mr. Pradip D. Kothari - Chairman (from 2nd December 2017)

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

Vice Chairman and Managing Director (from 2nd December 2017)

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

Mrs. Surekha P Kothari - W/o. Chairman resigned w.e.f. 28.08.2017

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

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

	March 31, 2017	March 31, 2016
Profit / (Loss) before Exceptional Items	(569.94)	(567.12)
Profit / (Loss) after Exceptional Items	(569.94)	(567.12)
Number of shares of Rs.5/- each	19,110,885.00	19,110,885.00
Basic & Diluted Earnings(in Rupees) per Share	(2.98)	(2.97)

28. The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is as below:

Particulars	SBNs	Other denomination	Total
Closing cash in hand as on 8.11.2016	4,812,000.00	527,645.00	5,339,645.00
(+) Permitted receipts	659,000.00	4,248,927.00	4,907,927.00
(+) Withdrawal from the banks		1,480,077.00	1,480,077.00
(-) Permitted payments		1,250,383.50	1,250,383.50
(-) Amount deposited in Banks	5,471,000.00	4,592,992.00	10,063,992.00
Closing cash in hand as on 31.12.2016	-	413,273.50	413,273.50

- 29 In accordance with Accounting Standard 22 - "Taxes on Income", as per prudence Deferred tax Asset is not recognised as a matter of prudence.
- 30 In respect of a part of one of the floors of buildings belongs to the a Company have occupied by a public Limited Company since 2007. No rent has been accrued during the year as eviction notice has been sent and the matter is under legal dispute.
- 31 The company had acquired a small piece of land on lease from the composite Government of Andhra Pradesh subject to certain conditions which are yet to be complied with. In fulfilment thereof the company has entered in to an agreement with a partnership firm which has paid one crore as Security Deposit to the Company. There has been no further development in this regard.
- 32 The company has not provided for the interest payable on the loan taken from a party and the loan amount outstanding as on 31.3.17 is Rs 1.70 crores. The Matter is under negotiation / settlement.
- 33 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.52.15 crores being Gross debt originally indicated as in the Assignment Deed.
- 34 With regard to various pending legal claims which are under adjudication / and /or negotiation, the management does not anticipated any significant cash outflow and possible claim are not quantifiable at present and accordingly no provision has been made in the accounts.
- 35 Pending decision of Supreme Court on an appeal filed by first charge holder of immovable properties of the Company. The implimentation of agreements dt. 18.02.2015 and 12.03.2015 are held in abeyance and appropriate action will be taken after disposal of said petition.
- 36 Confirmation of Creditor and Debtor balances have been obtained to the extent feasible and all the debtor balances are under reconciliation / follow up / since realised.
- 37 The Income Tax Appeals are pending for the accounting years befor the Commissioner of Income Tax appeals and is awaiting adjudication.
- 38 As per the records and information available with the company there are no amounts outstanding as on 31st March 2016 payable to:
 (i) Small Scale Industries (ii) Micro, Small and Medium Enterprises
- 39 With respect to the pending litigations, the company has not provided for additional financial commitment over and above the amount due and appearing in the books of accounts to the various litigants.
- 40 The office of Company Secretary fell vacant on 1st April 2016.
- 41 The figures in brackets relate to Previous year and regrouped / reclassified to confirm to the requirements of the current year.

KOTHARI INDUSTRIAL CORPORATION LIMITED

CIN: L24110TN1970PLC005865

Registered Office: "Kothari Buildings"

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

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

ATTENDANCE SLIP - 47TH Annual General Meeting – 30TH DECEMBER 2017

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

Name of the Member Signature.....

I/We hereby record my/our presence at the 47TH Annual General Meeting of the company to be held on Saturday, 30th December 2017 at 11.00 a.m. at company's Super Phosphate Factory at Kathivakkam, Ennore, Chennai 600057.

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

Form No.MGT-11

PROXY FORM

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

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

I/We hereby declare and authorize Mr./Mrs.....as my/our proxy to attend and vote on behalf for me/us at the 47th Annual General Meeting of the company, be held on Saturday the 30th December 2017 at 11.00 a.m. at company's Super Phosphate Factory at Kathivakkam Village, Ennore, Chennai 600057 and at any adjournment thereof in respect of such resolutions as are indicated below: Put tick mark for the resolutions (✓)

Sl.No.	Resolutions
	Ordinary Business / Ordinary Resolution
1	To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31 st March 2017, the Balance Sheet as at that date together with the Report of Auditors and the Directors thereon.
2	Ratification of the appointment of Messrs.Arockiasamy& Raj, Statutory Auditors from the conclusion of 47 th AGM to conclusion of 48 th AGM
3	Re-appointment of Mr. Pradip D Kothari as a Director
4.	Appointment of and Remuneration of Mr.J.Rafiq Ahmed as Managing Director

Signed this 30th day of December 2017.

Signature of the Shareholder :

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

Affix
Re.1/-
Revenue
Stamp

ROUTE MAP



