

Kothari Industrial Corporation Limited



BOARD OF DIRECTORS

Mr. Pradip D. Kothari	DIN 1315682	Chairman & Managing Director
Dr. Easo John	DIN 607448	Director
Mr. K. Santhanam	DIN 1915905	Director
Mrs. Surekha P Kothari	DIN 5131936	Director
Mr. Chetan Vijay Pagariya	DIN 2246555	Director

AUDIT COMMITTEE

Mr. K. Santhanam	Chairman of the Committee
Mr. Chetan Vijay Pagariya	Member
Dr. Easo John	Member

CHIEF FINANCIAL OFFICER

Mr. T. Sankaran

COMPANY SECRETARY

Mr. G. Mohan Das

AUDITORS

M/s. B. B. Naidu & Co.
Chartered Accountants
MC-Park Way
122/36, Marshalls Road
(Rukmani Lakshmi Pathy Salai)
Opp. Rajarathinam Stadium
Egmore
Chennai-600008.

INTERNAL AUDITORS

M/s. Sekaran & Venkatesh
Chartered Accountants
Golden Enclave
23 & 24, TNHB Complex
No. 4, Luz Church Road,
Mylapore, Chennai-600004.

COST AUDITOR

M/s. STR & Associates
Plot No. 37 & 38, Kaveri Nagar
Srirangam
Tiruchirapalli – 620006.

REGISTERED OFFICE:

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

FACTORY:

Super Phosphate Factory
Ennore
Chennai-600057.

REGISTRARS:

M/s. Integrated Enterprises (I) Ltd.,
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 44th Annual General Meeting of the Company will be held at 11.00 A.M. on Tuesday the 30th December 2014 at Rani Seethai Hall, 603, Anna Salai, Chennai – 600006, 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, 2014 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 with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Messrs.B.B.Naidu & Co., Chartered Accountants, Chennai, the retiring Auditors be and are hereby reappointed as Statutory Auditors of the Company to hold office for a period of three years from the conclusion of this 44th Annual General Meeting until the conclusion of the 47th 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."

SPECIAL BUSINESS

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

"RESOLVED THAT Mr.K.Santhanam(DIN 01915905)who retires at the ensuing Annual General Meeting be and is hereby reappointed as a Director of the Company, for a period of five years as per provisions of Section 161 of the Companies Act, 2013."

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

"RESOLVED THAT Dr.Easo John(DIN 00607448) who retires at the ensuing Annual General Meeting be and is hereby reappointed as a Director of the Company, for a period of five years as per provisions of Section 161 of the Companies Act, 2013."

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

"RESOLVED THAT Mr.Chetan Vijay Pagariya(DIN 2246555) who retires at the ensuing Annual General Meeting be and is hereby reappointed as a Director of the Company, for a period of five years as per provisions of Section 161 of the Companies Act, 2013."

(By Order of the Board)

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place: Chennai

Date : 12.11.2014

G.MOHAN DAS
COMPANY SECRETARY

Important Notes:-

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday the 26th December 2014 to Tuesday the 30th December 2014(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.
4. Under Section 205A of the Companies Act, 1956, 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 2013-14 and the notice of the 44th 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., 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)
 - I. In compliance with the provisions of Clause 35B of the Listing Agreements, Section 108 of the Companies Act, 2014 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 44th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

The Instructions for e-Voting are as under:

A. In case a Member receives an email from NSDL (for members whose email IDs are registered with the Company / RTA / Depository Participant(s)):

Kothari Industrial Corporation Limited

- (1) Open the attached PDF file viz. "KICL AGM e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password.
 - (2) Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
 - (3) Click on "Shareholder - Login".
 - (4) Put User ID and password as initial password noted in step (1) above and Click Login.
 - (5) Password Change Menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (6) Home page of "e-Voting" opens. Click on e-Voting: Active Voting Cycles.
 - (7) Select "EVEN" of Kothari Industrial Corporation Limited.
 - (8) Now you are ready for "e-Voting" as "Cast Vote" page opens.
 - (9) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
 - (10) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (11) Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail cslkassociates@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / RTA / Depository Participant(s) or who requested physical copy]:

- (1) Initial password is provided as below, at the bottom of the Attendance Slip for the AGM:

EVEN (e-voting Event Number)	USER ID	PASSWORD/PIN

- (2) Please follow all steps from Sl.No.I(2) to Sl.No.I(11) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com
- III. If you are already registered with NSDL for e-Voting then you can use your existing User ID and Password/PIN for casting your vote.
- IV. The e-Voting period commences on 22nd December 2014 (9.30 a.m.) and ends on 24th December 2014 (5.30 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) 28th November 2014, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- V. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date(record date) 28th November 2014.
- VI. Ms.Lalitha Kannan, Practicing Company Secretary(CP No.1894) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer shall within a period 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 and Managing Director of the company.

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 a.m. to 5.30 p.m.) Monday to Friday, except Holidays, upto and including the date of the Annual General Meeting of the Company.
12. 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.
13. Members are also hereby informed that the equity shares of the Company are available for dematerialization/rematerialisation under the Depository System.
14. M/s.Integrated Enterprises (India) 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.
15. 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.
16. 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.
17. Members/Proxies/Authorised Representatives are requested to bring the copy of the Annual Report for the AGM.

ANNEXURE TO THE NOTICE

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

Name of the Director	Mr.K.Santhanam (DIN 01915905)
Date of Appointment	06.07.2005
Qualifications	M.Com.
Expertise	Marketing
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	Dr.Easo John (DIN 00607448)
Date of Appointment	13.08.2009
Qualifications	M.B.A., Ph.D.
Expertise	Corporate Management
Directorships in other companies	Nil
Membership / Chairman in other companies	Nil
Committee Membership	Nil
Shareholding in Kothari Industrial Corporation Limited	Nil

Kothari Industrial Corporation Limited

Name of the Director	Mr.Chetan Vijay Pagariya (DIN 2246555)
Date of Appointment	20.08.2008
Qualifications	B.Com., GDC&A, ACA.
Expertise	Project, Financing & Taxation
Directorships in other companies	Nil
Membership / Chairman in other companies	Nil
Committee Membership	Nil
Shareholding in Kothari Industrial Corporation Limited	Nil

Explanatory Statement pursuant to the provisions of Sec.102(1) of the Companies Act, 2013 in respect of item nos.3 to 5:

SPECIAL BUSINESS

Dr.Easo John, Mr.K.Santhanam and Mr.Chetan Vijay Pagariya are Independent Directors of the Company liable to retire by rotation. In view of the provisions of the New Companies Act 2013, the Independent Directors are required to be appointed for a period of 5 years. Notices have been received from the members of the company under Section 160 of the Companies Act 2013 along with requisite deposit amount signifying the intention to propose the candidature of Mr.K.Santhanam and Dr.Easo John only, to move the resolutions set out in item

no.3 & 4 in the notice to be approved by the shareholders.

A brief profile of the proposed Independent Directors including nature of expertise is already provided here before. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of the Independent Directors. Accordingly, the Board recommends the resolution set out in the Notice for approval of the shareholders of the Company.

None of the Directors/Key Managerial Personnel/ their relatives, other than the appointees for their respective appointment, are in any way, concerned or interested, financially or otherwise in the resolution set out in the Notice.

REPORT OF THE DIRECTORS

Your Directors present herewith the Forty-fourth Annual Report on the performance of the Company along with the Audited Balance Sheet and Profit and Loss Account for the Financial Year ended 31st March, 2014.

The Financial Results are as follows:

	2013 - 14	2012 - 13
	(Rs.in Lacs)	
Turnover/ Income from Services	<u>8361.29</u>	<u>10807.19</u>
Profit/(Loss) before Interest and Depreciation	(566.73)	58.50
Interest and Finance Charges	243.07	232.83
Loss before Depreciation	(809.80)	(174.33)
Exceptional Items	-	6.65
Loss before depreciation	(809.80)	(167.68)
Depreciation	53.45	41.61
Taxation	-	-
Loss for the year	(863.25)	(209.29)
Balance Loss brought forward from the previous year	(2463.09)	(2253.80)
Loss carried to Balance Sheet	(3326.34)	(2463.09)

In view of the accumulated losses, the Directors are unable to recommend any dividend for the year ended 31st March, 2014.

OPERATIONS:

The Turnover of NPK Mixtures, Straight fertilizers and Trading activities was Rs.7871.74 lakhs as compared to Rs.10576.02 lakhs in the previous year. The Single Super Phosphate plant near Chennai could be operated only for a part of the year in view of inadequate working capital requirements. The production was 2826 MT as compared to 35891 MT in the previous year.

FUTURE PROSPECTS:

The Company is in the advanced stage of tie-up for financial assistance for effectively putting in the use of available facilities at its fertilizer plant. It is expected that, barring unforeseen circumstances, the company would be in a position to re-start production of Single Super Phosphate by end January 2015.

With respect to production and sale of NPK Mixtures and other products, the Company is

planning to increase the quantum of sales by effective utilization of the available working capital.

The particulars required under Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are attached to this report.(Annexure-A).

CORPORATE GOVERNANCE:

Your Company has complied with the requirements of the code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange. A detailed report on Corporate Governance together with certification of the Chairman and Managing Director, Certificate of the Statutory Auditors on compliance with the Corporate Governance along with the Management Discussion and Analysis Report are attached and form part of the Annual Report (Annexures B & C).

Further as required under Section 217(2AA) of the Companies Act, 1956, the Directors' Responsibility Statement is also attached to this Report.

DEPOSITS:

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

DIRECTORS:

Mr.K.Santhanam, Dr.Easo John and Mr.Chetan Vijay Pagariya being Independent Directors are not liable to retire by rotation as per the provisions of the New Companies Act. Hence, their appointments are proposed for a period of 5 years as Independent Directors at the ensuing 44th Annual General Meeting.

RESPONSIBILITY STATEMENT:

The Directors confirm that:-

- 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;

Kothari Industrial Corporation Limited

- 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) 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) They have prepared the annual accounts on a going concern basis.

AUDITORS:

The Auditors, M/s.B.B.Naidu & Co., Chartered Accountants, Chennai, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed. A certificate under Sec.224(1B) of the Companies Act, 1956 has been received from them together with the peer review certificate.

With regard to the remarks in the Auditor's Report, the financial note no.17(b) is self-explanatory.

Further, the company's reduced operations due to absence of credit facilities, had severe impact on the cash flows resulting in certain statutory dues falling in arrears and speedy steps are being taken to fulfill the obligations as soon as feasible.

PARTICULARS OF EMPLOYEES:

There is no employee, particulars of whom are to be furnished under Sec.217(2AA) of the Companies Act, 1956.

RESEARCH & DEVELOPMENT:

During the year under review the Company has spent Rs.1.66 lakhs towards upgradation of in-house Research & Development wing at its Super Phosphate factory.

ACKNOWLEDGEMENT:

Your Directors place on record their appreciation of the valuable support and help of the 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

Pradip D. Kothari
Chairman & Managing Director

Place: Chennai
Date: 12.11.2014

ANNEXURE – A

CONSERVATION OF ENERGY

FORM – A

Form for disclosure of particulars with respect to conservation of Energy

A. Power and Fuel Oil consumption Current Year 2013-14

(1) Electricity

a. Purchase power		
Units	:	172554
Variable cost (Rs.in lakhs)	:	-
Total cost (Rs. in lakhs)	:	24.78
Rate/Unit (Rs.)	:	5.50
Unit charges (Rs./Unit)**	:	5.50
Demand charges (Rs. / KVA)	:	300.00
*Net of wind farm adjustment	:	Nil
** Variable cost includes peak hour charges		Nil

b. Own generation	:	5178
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(2) Coal	:	Nil
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(3) Furnace Oil/LSHS	:	Nil
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(4) Diesel (for industrial lighting purpose)		
Quantity (KL)		Nil
Total Amount (Rs. In Lakhs)		Nil
Average Rate (Rs./KL)		Nil

(5) Windfarm	:	Nil
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B. Consumption per unit (MT) of production

Product	:	Single Super Phosphate
Production	:	2826 MT
Electricity consumed	:	172554 units
Consumption Per unit (MT) of production	:	Rs.877/-

FORM – B

Form of disclosure of particulars with
respect to absorption

:

Nil

FOREIGN EXCHANGE EARNINGS AND OUT GO

USD

Rs.

Foreign Exchange earned

:

-

-

Foreign Exchange spent

:

-

-