

Kothari Industrial Corporation Limited

BOARD OF DIRECTORS

Mr.Pradip D. Kothari	DIN 1315682	Chairman
Dr.Easo John	DIN 607448	Director (Resigned w.e.f. 30.12.2014)
Mr.K.Santhanam	DIN 1915905	Director (Resigned w.e.f. 31.08.2015)
Mrs.Surekha P Kothari	DIN 5131936	Director
Mr.Chetan Vijay Pagariya	DIN 2246555	Director (Resigned w.e.f.30.12.2014)
Mr.Dilip Machado	DIN 06895289	Director (Appointed w.e.f.31.03.2015)
Mr.D.Gunasekaran	DIN 07326495	Director (Appointed w.e.f. 30.10.2015)

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Mr.K.Santhanam	Chairman (upto 31.08.2015)
Mr.Dilip Machado	Member - Chairman
Mr.D.Gunasekaran	Member (w.e.f.29.01.2016)

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr.Pradip D Kothari	
Mr.K.Santhanam	(upto 31.08.2015)
Mr.Dilip Machado	(w.e.f.31.03.2015)
Mr.D.Gunasekaran	(w.e.f.29.01.2016)

CHIEF FINANCIAL OFFICER

Mr.T.Sankaran (upto 30.06.2015)

DEPUTY MANAGER (FINANCE)

Mr.S. Vijayaraghavan

COMPANY SECRETARY

Mr.G.Mohan Das

AUDITORS

M/s.B.B.Naidu & Co.

Chartered Accountants
MC-Park Way
122/36, Marshalls Road
(Rukmani Lakshmipathy Salai)
Opp. Rajarathinam Stadium
Egmore, Chennai-600008.

SECRETARIAL AUDITORS

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

REGISTERED OFFICE:

"Kothari Buildings"
114, Mahathma 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

CIN: L24110TN1970PLC005865

Regd. Office : "Kothari Buildings"

114, Mahatma Gandhi Salai, Nungambakkam, Chennai 600 034

NOTICE TO MEMBERS

NOTICE is hereby given that the 45th Annual General Meeting of the Company will be held at 10.30 a.m. on Wednesday the 30th March 2016 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, 2015 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 M/s.N.Ganesan Associates, Chartered Accountants (Regn.No.023700), Chennai, be and are hereby appointed as Statutory Auditors of the Company, in the place of M/s.B.B.Naidu & Co., who have not opted for reappointment, to hold office for a period of five years from the conclusion of this 45th Annual General Meeting until the conclusion of the 50th Annual General Meeting on such remuneration as may be fixed by the Board of Directors of the Company with the mutual consent of the Auditors hereby appointed 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.Dilip Machado(DIN 06895289) who has been appointed on 31st March 2015 as an Additional Director be and is hereby appointed 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 Mr.D.Gunasekaran (DIN 07326495) who has been appointed on 30th October 2015 as an Additional Director be and is hereby appointed 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.Pradip D. Kothari(DIN 01315682)be and is hereby re-appointed as a Director of the Company for a period of five years from 22.10.2015."

6. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT approval and consent of the members of the Company be and is hereby accorded to give the company's fertilizer factory at Ennore near Chennai, on lease for manufacturing Single Super Phosphate(SSP) with all plant and machinery and other accessories fully required for the manufacturing process, to M/s.Gemini Fertilizers having their office at 114, Mahatma Gandhi Salai, Kothari Building 4th Floor, Nungambakkam, Chennai – 600034, for a period of 10 years commencing from 1st January 2015 to 31st December 2025 on a monthly rental of Rs.1,00,000/- and a sum of Rs.115/- payable for every MT of SSP produced and also salary to the employees of Kothari Industrial Corporation Limited working in both Head Office and Factory with the power to the Board of Directors to amend the terms of lease with mutual consent of the lessee in the best interest of the company and its shareholders."

7. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act of 2013 and the relevant rules framed there under including statutory notification(s) or re-enactment thereof, approval and consent of the members of the Company be and is hereby accorded to sell 4 floors i.e., Ground Floor, First Floor, 4th Floor, 5th Floor and rights over the terrace, approximately admeasuring 34882 sq.ft. with an undivided share of land admeasuring 6.33 grounds out of 9.5 grounds in the front side facing Nungambakkam High Road, in its registered office situated at Kothari Buildings, 114, Mahatma Gandhi Salai,

Nungambakkam, Chennai – 600034 to M/s.Gemini Iron and Steel Pvt. Ltd. having office at No.12, Basement, Prince Plaza, 73, Pantheon Road, Egmore, Chennai – 600008, for a consideration of Rs.45 crores, with of first charge held by HDFC Bank (alleged Assignee Bekae Properties) and with second charge held by State Bank of India (alleged Assignee Kotak Mahindra Bank) and such approvals required, if any.”

(By order of the Board)
For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place: Chennai **Pradip D. Kothari**
Date : 29.02.2016 **Chairman and Managing Director**

Important Notes:-

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday the 24th March 2016 to Wednesday the 30th March 2016 (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 exceeding 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 2014-15 and the notice of the 45th 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.

Kothari Industrial Corporation Limited

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 45th 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 27.03.2016 at 9.00 a.m. and ends on 29.03.2016 at 5.00 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 22.03.2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders.

(v) Now Enter your User ID

- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.

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

(vii) 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.

(viii) 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> <p>*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
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> <p>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 (v).</p>

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the 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.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <Company Name "KOTHARI INDUSTRIAL CORPORATION LIMITED"> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) 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.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl.no.(i) to (xvi) above to cast vote.
- (B) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

11. Mr. P. Munusamy, Advocate (Ref.E.No.1089/2006), Email id : Pmunusamylaw@gmail.com 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 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 (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.
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 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.
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.

(By order of the Board)

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place: Chennai
Date : 29.02.2016

Pradip D. Kothari
Chairman and Managing Director

Kothari Industrial Corporation Limited

ANNEXURE TO THE NOTICE

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

Name of the Director	Mr.Dilip Machado (DIN 06895289)
Date of Appointment	31.03.2015
Qualifications	U.G
Expertise	Industrialist (Shipping & Logistics)
Directorships in other companies	I.S.Machado Logistics (P) Ltd
Membership / Chairman in other companies	Nil
Committee Membership	Nil
Shareholding in Kothari Industrial Corporation Limited	Nil

Name of the Director	Mr.D.Gunasekaran(DIN07326495)
Date of Appointment	30.10.2015
Qualifications	B.A.
Expertise	Banking
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.Pradip D.Kothari (DIN 01315682)
Date of First Appointment	28.04.1972
Qualifications	B.A.
Expertise	Industrialist
Directorships in other companies	Nil
Membership / Chairman in other companies	Nil
Committee Membership	Nil
Shareholding in Kothari Industrial Corporation Limited	1366288

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

ORDINARY BUSINESS

In respect Item no.2:

M/s.B.B.Naidu & Co., Chartered Accountants, Chennai, were appointed as the Auditors of the Company at the 44th AGM held on Tuesday the 30th December 2014, for a period of 3 years until the conclusion of the 47th AGM. The Board of Directors have received a written communication from the Auditors that they would not be in a position to continue as the Auditors of the Company. In view of this, the Board of Directors recommend the appointment of M/s.N.Ganesan Associates, Chartered Accountants, having office at No.177/3, Valluvarkottam High Road, Nungambakkam, Chennai – 600034, to be the Company's Statutory Auditors to hold office for a period of 5 years from this 45th AGM until the conclusion of the 50th AGM.

SPECIAL BUSINESS

In respect Item nos.3 & 4:

Mr.Dilip Machado has been appointed on 31st March 2015 as an Additional Director(Independent Director) & Mr.D.Gunasekaran has been appointed on 30th October 2015 as an Additional Director(Independent Director) of the Company and they are liable to be reappointed as Directors at the ensuing Annual General Meeting.

In view of the provisions of the 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 candidatures of Mr.Dilip Machado and Mr.D.Gunasekaran, 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.

In respect of Item No.5:

Mr.Pradip D. Kothari was appointed as Managing Director of the Company 'Without Remuneration' at the 41st Annual General Meeting of the Company held on 21.09.2011 for a period of five years effective 22.10.2010. The Board of Directors at the meeting held on 21.09.2015 have re-appointed him as a Director of the Company effective 22.10.2015 for a further period of five years.

Except Mr.Pradip D. Kothari & Mrs.Surekha P Kothari, none of the other Directors are interested in regard to this resolution.

In respect of Item No.6:

At the meeting of the Board of Directors held on 30.12.2014 the Chairman informed the members that in view of the inadequacy of working capital requirement, the Company has not been able to run the SSP plant situated at Ennore from April 2013. Further, the Company has not been enjoying any credit facilities from banks/institutions. The Chairman informed that keeping the machinery idle could not be possible in the interest of the company and hence at the recommendation of the Chairman the Board of Directors decided to give the factory along with all its plant and machinery on lease for production of SSP to M/s.Gemini Fertilizers who had evinced interest in running of the factory. It was unanimously agreed that the lease period would be for a period of 10 years commencing from 1st January 2015 and ending with 31st December 2025 and the monthly rental will be Rs.1,00,000/- per month. Further, a sum of Rs.115/- will be paid for every MT of SSP produced by the said Gemini Fertilizers net of all expenses including salary to the employees of Kothari Industrial Corporation Limited working in both Head Office and Factory. It is a condition precedent that the assigned land admeasuring about 40 acres at Ennore could be retained only if the factory is in continuous production of fertilizers, else the land will be forcibly taken over by the Government of Tamilnadu. The company also has to incur lot of fixed expenses under various heads to the tune Rs.10.00 lakhs per month without any production. In the present circumstances the company is not in a position to infuse any more funds to run the factory. More over the condition of the machineries are

deteriorating due to absence of periodical maintenance. Presently the plant and machinery is in a poor working condition and a sum of Rs.75.00 Lakhs required to put the same in working condition and the investor agreed to infuse funds to put the factory in working condition. It has therefore become imperative to restart the factory on mutual terms acceptable to both the parties. The Board would ensure that the terms would be modified going forward to ensure that the interest of the company and its members are protected with the mutual consent of the lessee. The investor invested around Rs.200.00 lakhs to restart the factory The factory restarted its production in June 2015 only and has therefore no impact on the financials for the year ended 31st March 2015.

In respect of Item No.7:

The Board of Directors at their meeting held on 30.12.2014 were informed by the Chairman that the Company had secured/unsecured loans to be settled and the profits generated from the company's operations were inadequate to meet the liabilities on hand. Hence, on the recommendation of the Chairman, the Board of Directors decided to sell 4 floors approximately admeasuring 34882 sq.ft. with an undivided share of land situated at Kothari Buildings, 114, Mahatma Gandhi Salai, Nungambakkam, Chennai – 600034, for a consideration of Rs.45 crores after negotiating with various parties to M/s.Gemini Iron and Steel Pvt.Ltd. having office at No.12, Basement, Prince Plaza, 73, Pantheon Road, Egmore, Chennai – 600008, with the two charges prevailing on the property namely, first charge held by HDFC Bank (alleged Assignee Bekae Properties) and second charge held by State Bank of India (alleged Assignee Kotak Mahindra Bank) and such approvals required, if any.

The proposed sale is necessitated due to mounting liabilities to the financial institution, pressing creditors and other charge holders and would eventually make the company largely debt free. Hence the Board is of the view that the proposed sale has become inevitable in the current dire financial circumstances of the company. The assets are only yielding negligible returns which is not even sufficient to meet the mounting interest burden of secured and unsecured loans. More over at this condition there are no buyers to purchase the property which is under litigation and its outcome is uncertain and unpredictable. It is prudent on the part of the company to sell of the property in the present circumstances and pay of the creditors after negotiating for settlement. The sale will be concluded in favour of the investor upon consent of the members as stated in the resolution.

(By order of the Board)
For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place: Chennai
Date : 29.02.2016

Pradip D. Kothari
Chairman and Managing Director

Kothari Industrial Corporation Limited

REPORT OF THE DIRECTORS

Your Directors present herewith the Forty-fifth Annual Report on the performance of the Company along with the Audited Balance Sheet and Statement of Profit and Loss for the Financial Year ended 31st March, 2015.

	2014 - 15	2013 - 14
	(Rs.in Lacs)	(Rs.in Lacs)
Turnover/ Income from Services	5386.61	8361.29
Profit/(Loss) before Interest and Depreciation	(605.25)	(566.76)
Interest and Finance Charges	47.10	243.07
Loss before Depreciation	(558.15)	(809.83)
Exceptional Items	75.10	-
Depreciation	(44.80)	53.45
Taxation	-	-
Loss for the year carried to Balance Sheet	(588.45)	(863.28)

DIVIDEND

In view of the accumulated losses, the Directors are unable to recommend any dividend for the year ended 31st March, 2015.

OPERATIONS:

The Turnover of NPK Mixtures, Straight fertilizers and Trading activities was Rs.5189.56 lakhs as compared to Rs.7871.75 lakhs in the previous year. The Single Super Phosphate plant near Chennai could not be operated during the year in view of inadequate working capital.

The company during the last five years has been starved of working capital necessitating borrowing from outside the banking sector at exorbitant rate of interest thus increasing the debt burden leading further to liquidity crunch. The Board of Directors of your company has been on the look out for a prospective investor who could have a long term interest and involvement in the progress of the company and has at last been able to identify Gemini Group headed by Mr.Jinnah Rafiq who after long deliberation and negotiation has agreed to come to the rescue of the company which otherwise would have faced the ultimate liquidation. The new investor has so far funded over Rs.9.01 crores and agreed to restart and run the super phosphate factory at no cost to the company by investing around Rs.200.00 lakhs and availing working capital facilities to the tune of Rs.15.00 crores from banks and financial institutions thus enabling the company to retain the valuable assigned land of about 40 acres which otherwise would have been taken over by the State Government. All this joint endeavours of the company and the new investor have been towards reviving the company's operations through increasing productivity and profitability of the operations besides getting the factory

operational once again. The investor promised to bail out the company from all its financial problems at the earliest possible time.

This step forward would require the consent of the members for which enabling resolutions are being proposed at the ensuing Annual General Meeting.

FUTURE PROSPECTS:

Gemini Fertilizers have restarted the Single Super Phosphate Plant since 1st June 2015 under a lease agreement, injecting the necessary fixed and working capital to the tune of R.200.00 lakhs and availing working capital facilities of Rs. 15.00 Crores from banks. 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 infrastructure facilities and with the involvement of M/s.Gemini Fertilizers, who promised to meet the need based working capital requirement of the company from time to time and bail out from the present financial difficulties faced by the company.

INDUSTRY OUTLOOK

Fertilisers are an essential component of modern agriculture. The balanced use of Chemical fertilizers is important not only for increasing the agricultural productivity but also for sustaining soil fertility. The consumption NPK ratio also has changed over a period of time. During 2008-09 the consumption of NPK ratio was 4.6:2.0:01 which has changed to 8.2:3.2:01 during 2012-13.Hence it is expected that the consumption of fertilizers will show an increased trend. Further, the demand for NPK Mixtures is also likely to pick up with the Nutrient Based Subsidy Scheme in vogue. This will help all fertilizer companies to get benefited, since the level playing field has been created by the Government.Your company is planning to improve its sales with better distribution facilities available and by leveraging the "Horse Brand".

DIRECTORS:

Dr.Easo John, Mr.Chetan Vijay Pagariya & Mr.K.Santhanam due their personal problems have resigned from the Board with effect from 30th December 2014 & 30th August 2015 respectively. The Board places on record the services rendered by the said Independent Directors during their tenure of office.

Mr.Dilip Machado who was appointed as an Additional Director(Independent Director) on 31st March 2015 has to be reappointed as Independent Director of the company for five years, as per the provisions of the New Companies Act 2013.

This item is included in the agenda of the ensuing 45th Annual General Meeting.

Mr.D.Gunasekaran who was appointed as an Additional Director(Independent Director) on 30th October 2015 has to be reappointed as Independent Director of the company for five years, as per the provisions of the New Companies Act 2013. This item is included in the agenda of the ensuing 45th Annual General Meeting.

The Company has received necessary declaration from each Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 that each of them meets with the criteria of their Independence as laid down in Section 149(6).

Mr.Pradip D. Kothari was reappointed as a Director of the Company without any remuneration on 21.09.2015 and is eligible to be reappointed as a Director of the company for five years, as per the provisions of the Companies Act 2013. This item is included in the agenda of the ensuing 45th Annual General Meeting.

BOARD MEETINGS:

During the year 5 Board Meetings and 2 Audit Committee Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between two meetings was within the period as prescribed under the Companies Act, 2013.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee.

Pursuance to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a Separate Meeting of Independent Directors was held during the year, in which the Independent Directors evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairman of the Company.

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. In addition, the new investor viz. M/s.Gemini Fertilizers have nominated an experienced professional to exercise strict financial discipline.

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.

LISTING

The Company has since 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 fulfilling the terms and conditions and it is expected that the listing of shares will take place shortly during the financial year 2016-17.

SHARE CAPITAL:

The paid up equity share capital as on 31st March 2015 was Rs.624.19 lakhs. The company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

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.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO

The information as required under Sec.134(3)(M) of the Companies Act, 2013 read with Companies Account Rules, 2014 (Annexure - A).