



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 46th Annual General Meeting of the Company will be held at 9.30 a.m. on Thursday the 28th September 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, 2016 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 be and are hereby ratified and they will hold office until the conclusion of the ensuing Annual General Meeting."

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

"RESOLVED THAT M/s. Arockiasamy & Raj, Chartered Accountants (Regn.No.006850S), Chennai, be and are hereby appointed as Statutory Auditors of the Company, to hold office for a period of two years from the conclusion of this 46th Annual General Meeting until the conclusion of the 48th 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."

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

"RESOLVED THAT Mrs.Surekha P Kothari (DIN05131936) who retires at the ensuing Annual General Meeting be and is hereby reappointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr.J.Rafiq Ahmed (DIN02861341) who has been appointed on 21st April 2017 as an Additional Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s) 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, with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT the consent of the members be and is hereby accorded under Section 180(1)(c) of the Companies Act, 2013 to borrow a sum not exceeding Rs.100 crores (Rupees one hundred crores only) in aggregate notwithstanding from any individual, firm, banks, financial institutions, bodies corporate or business associates etc., in excess of paid up capital and free reserves of the Company.”

(By Order of the Board)

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place: Chennai

PRADIP D KOTHARI

Date : 31.05.2017

Chairman of the Board

Important Notes:-

1. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday the 26th September 2017 to Thursday the 28th September 2017 (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.

Kothari Industrial Corporation Limited

8. Electronic copy of the Full Version of the Annual Report for the year 2015-16 and the notice of the 46th 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.kothari.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 46th 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:

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September 2017 at 09.00 a.m. and ends on 27th September 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 21st September 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 Address / Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (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. RakeshDalvi, Deputy Manager, (CDSL,) Central

Kothari Industrial Corporation Limited

Depository Services (India) Limited, 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001, or send an email to helpdesk.evoting@cdslindia.com or call 18002005533.

11. Mr.R. Srinivasan, Practising Company Secretary, Email id: momu18@gmail.com, Mobile No. : 98401 58156 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 (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.

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	Mrs.Surekha P Kothari (DIN05131936)
Date of Appointment	19.09.2011
Qualification	M.A.
Expertise	Management Expert
Directorships in other companies	Nil
Membership / Chairman in other companies	Nil
Committee Membership	Nil
Shareholding in Kothari Industrial Corporation Limited	111323 equity shares

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

SPECIAL BUSINESS

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 to 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. The investor is infusing funds as and when required. The

Kothari Industrial Corporation Limited

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 and the company has recognized the income arising out of the operations of the factory.

In respect of Item No.7:

As the factory building and machineries are several decades old. It is inoperative that the building must be strengthened with extra space to be constructed to hold the inventory expanding business necessitating bulk import of rock phosphate. Further, modern machinery has to be installed in the place of present worn out machinery. Due to erosion of land at Ennore, due to high tidal waves the entire compound wall around the factory will have to be strengthened including increasing

height of the walls. All these significant expenditure is estimated to cost not less than Rs.100 crores for which approval is being sought. However, as and when capital expenditure is proposed to be incurred there would be specific approval of the board recording the justification thereof.

The Board recommends these resolutions for the approval of the members as Special Resolutions.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the resolutions.

(By Order of the Board)

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place: Chennai
Date :31.05.2017

PRADIP D KOTHARI
Chairman of the Board

REPORT OF THE DIRECTORS

Your Directors present herewith the Forty-sixth 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, 2016.

Summary of Financial

Results are as follows: (Rupees in Lakhs)

	<u>2015-16</u>	<u>2014-15</u>
Turnover/ Income from Services	5050.53	5386.60
Profit/(Loss) before Interest and Depreciation	(57.95)	(421.47)
Interest and Finance Charges	2.92	47.10
Profit / (Loss) before Depreciation	(60.87)	(468.57)
Exceptional Items	-	75.10
Depreciation	506.25	44.80
Taxation	-	-
Loss for the year carried to Balance Sheet	(567.12)	(588.47)

DIVIDEND

In view of the continued losses, the Directors are unable to recommend any dividend for the year ended 31st March, 2016.

OPERATIONS:

The Turnover of NPK Mixtures, Straight fertilizers and Trading activities was Rs.4835.63 lakhs as compared to Rs.5188.16lakhs in the previous year. The Single Super Phosphate factory given on lease to M/s.Gemini Fertilizers was restarted and has produced 12666 MT during the year ended 31st March 2016 as compared to Nil production during the previous year.

FUTURE PROSPECTS:

Gemini Fertilizers have restarted the Single Super Phosphate Plant since 1st June 2015 under a lease

agreement. Gemini Fertilizers will be injecting the necessary fixed and working capital. 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 had promised to meet the need based working capital requirement from time to time.

INDUSTRY OUTLOOK

Fertilizers 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. It is expected that the consumption of fertilizers will show an increased trend in the coming years and the demand for NPK Mixtures picked up with the Nutrient Based Subsidy Scheme in vogue. This will help all fertilizer companies to get benefited, since the level playing field has already 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:

Mrs.Surekha P Kothari being Non-Independent Woman Director is liable to retire by rotation as per the provisions of the Companies Act 2013. Hence, her appointment is proposed at the ensuing 46th Annual General Meeting.

Mr.J.Rafiq Ahmed the erstwhile investor has since been appointed as an Additional Director of the Company on 21st April 2017 to hold office till the Annual General Meeting, liable to retire by rotation.

COMPANY SECRETARY:

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

Kothari Industrial Corporation Limited

BOARD MEETINGS:

During the year 9 Board Meetings and One Audit Committee Meeting was 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.

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. The Company has engaged 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.
- 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 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 2015 was Rs.624.19. During the year under review, the Company in accordance with the approval of the shareholders at the 39th Annual General Meeting held on 14th December 2009 has allotted 66,27,000 equity shares of Rs.5/- each amounting to Rs.331.35 lakhs to promoters and associates on private placement basis. The said allotment is in accordance with the amended provisions of the Companies Act 2013. The resultant paid-up equity share capital stands at Rs.955.54 lakhs as on 31st March 2016.

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 are furnished in Annexure-A.

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 – B

MANAGEMENT DISCUSSION AND ANALYSIS & 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 Management Discussion and Analysis Report along with the Corporate Governance are attached and form part of the Annual Report (Annexures – C&D).

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

AUDITORS:

The Auditors, M/s.N.Ganesan associates, Chartered Accountants, Chennai, had been appointed as the Auditors of the company for a period of 5 years at the 45th Annual General Meeting. Due to unavoidable circumstances M/ s.N.Ganesan associates have submitted their resignation in November 2016. The Board in order to fill up the casual vacancy so caused have appointed M/s.Arockiasamy& Raj, Chartered Accountants, Chennai, who will hold office till the conclusion of ensuing Annual General Meeting. It is proposed to re-appoint the same firm of auditors for a further period of two years.

With regard to certain observations in the audit report, the Company's replies thereto are contained in the respective financial notes. However, as a matter of elucidation, the Company's detailed replies are furnished below:

As explained in Note no.4.2 & 4.3 to the Accounts, State Bank of India & HDFC Bank have referred the matter of recovery of the dues to Debt Recovery Tribunal(DRT), Chennai and pending adjudication of the matter, the quantum of interest is not ascertainable at present and therefore not considered in the Accounts.

A Lease Agreement of the Fertilizer Factory was necessitated to restart the operations on continuous basis. Such operation of the Fertilizer Factory is a condition precedent to retention of the assigned land. This was paramount in the interest of the company and the lessee has taken upon itself the entire running of the factory including infusion of the working capital, payment of the