

**KOTHARI INDUSTRIAL CORPORATION LIMITED**

Regd. Office: Kothari Buildings, 114, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600034
 CIN No. L74110TN1970PLC005865
 email id: enquiries@kotharis.in

(Rs. in lakhs)

AUDITED STATEMENT OF RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2024

PARTICULARS	STANDALONE				
	Quarter Ended			Year Ended	
	31.03.24	31.03.23	31.12.2023	31.03.2024	31.03.2023
	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
Income from Operations					
Gross Revenue from sale of products and Other Operating revenue	338.40	358.59	216.64	1291.00	732
REVENUE FROM OPERATIONS ((i)+(ii))	11.65	57.01	-0.01	72.52	226
OTHER INCOME	350.05	415.60	216.03	1,383.52	958
TOTAL REVENUE	6180.65	-7.87	51.69	6317.50	73
EXPENSES	6530.70	407.73	268.12	7681.02	1,031
a) Cost of Material consumed	-	-	-	0.00	-
b) Purchase of stock-in-trade	240.59	262.91	172.80	882.74	531
c) Changes in inventories of finished goods, stock-in-trade, work-in-process and	9.03	(81.25)	9.36	29.08	-19
d) Excise duty	0.00	-	-	0.00	-
e) Employee Benefits Expenses	551.08	159.88	154.49	861.74	289
f) Finance Costs	268.77	289.55	0.11	270.93	1,135
g) Depreciation and amortisation expense	6.65	3.28	15.23	24.88	11
h) Other expenses	813.63	342.21	322.85	1579.21	891
TOTAL EXPENSES	4	1,889.70	976.58	674.84	3,648.56
PROFIT/ (LOSS) Before Exceptional and Tax (1-2)	5	4,541.00	(568.85)	(406.52)	4,032.45
Exceptional items	6	-	-	-	-1,747
a) Loss/Profit on Sale of Asset		(4,981.87)	-	-	-
b) Creditors Written Back		(85.33)	-	-	-
c) Provision for Expenses		(1,125.51)	(230.00)	-	-230
PROFIT/ (LOSS) Before tax (3-4)	7	(1,551.71)	(798.85)	(406.52)	4,032.45
Extraordinary items	8	-	-	-	-1,977
PROFIT/ (LOSS) Before Tax (5-6)	9	(1,551.71)	(798.85)	955.54	4,032.45
TAX EXPENSE	10	-	-	-	-1,977
a) Deferred tax		-	-	130.49	-
PROFIT/(LOSS) FOR THE PERIOD (7-8)	11	(1,551.71)	(798.85)	955.54	732.64
OTHER COMPREHENSIVE INCOME		-	-14.00	-	-1,977
Items that will not be reclassified to profit or loss	12	-	-	109.96	-34
TOTAL COMPREHENSIVE INCOME (9+10)	13	(1,551.71)	(812.85)	955.54	3,279.27
PAID-UP EQUITY SHARE CAPITAL	14	624.19	955.54	624.19	955.54
(Face Value of the Share is of Rs. 5/- each)					
annualised):					
Basic & Diluted (Rs.)		(12.43)	(4.25)	7.65	26.27
					(10.42)

KOTHARI INDUSTRIAL CORPORATION LIMITED

Rs. in Lakhs

STANALONE Balance Sheet			
Particulars		31.03.2024	31.03.2023
		(Audited)	(Audited)
A	ASSETS		
	NON-CURRENT ASSETS		
1	(a) Property, Plant and Equipment	2,069.06	2,753.81
	(b) Intangible assets	3.11	3.22
	(c) Property held for sale	0	0
	(d) Deferred tax assets (net)	45.39	778.03
	(e) Miscellaneous Expenditure	-	-
	(f) Financial Assets		
	(i) Investments	9.99	9.99
	(ii) Loans	979.07	83.66
	(iii) Others	-	-
	(g) Other non-current assets	-	-
	Non-Current Assets	4,006.63	3,628.72
2	CURRENT ASSETS		
	(a) Inventories	138.75	167.84
	(b) Financial Assets		
	(i) Investments	-	-
	(ii) Trade receivables	19.09	271.54
	(iii) Cash and cash equivalents	115.52	37.79
	(iv) Other Bank Balances	-	-
	(v) Other financial assets	829.16	703.98
	(vi) Other	-	-
	(c) Other current assets	-	-
	Current Assets	1,102.52	1,181.16
	TOTAL ASSETS	5,109.15	4,809.88
B	EQUITY AND LIABILITIES		
	EQUITY		
	(a) Equity Share Capital	624.19	955.54
	(b) Other Equity	156.27	(5,708.38)
	Equity	780.46	-4,752.84
	LIABILITIES		
1	NON-CURRENT LIABILITIES	0	
	(a) Financial Liabilities		
	(i) Borrowings	21.55	7,265.80
	(ii) Other Financial liabilities	-	-
	(b) Provisions	19.94	19.29
	(c) Deferred tax Liabilities (Net)	-	-
	(d) Other non-current liabilities	7.90	-
	Non Current Liabilities	49.39676	7285.09
2	CURRENT LIABILITIES		
	(a) Financial Liabilities		
	(i) Borrowings	655.92	-
	(ii) Trade payables	0	-
	Total outstanding dues of micro enterprises and small enterprises	39.04	5.24
	Total outstanding dues of creditors other than micro enterprises and small enterprises	-53.09	115.70
	(iii) Other Financial liabilities	3,631.58	2,049.43
	(b) Other Current liabilities	-	-
	(c) Provisions	5.84	107.26
	(d) Current Tax Liabilities (Net)	-	-
	Current Liabilities	4279.29	2277.63
	TOTAL EQUITY AND LIABILITIES	5,109.15	4,809.88



(Rs. in lakhs)

Segment-wise Revenue, Results, Assets and Liabilities for the Quarter and Year ended 31st March 2024

Sl. No.	PARTICULARS	STANDALONE				
		Quarter Ended			Year Ended	
		31.03.2024	31.03.2023	31.12.2023	31.03.2024	31.03.2023
	(audited)	(audited)	(Unaudited)	(audited)	(Audited)	
1	Segment Revenue (Net Sales/Income from Operations)			0		
	a. Fertilizer	105.69	165.13	48.69	275.31	321.11
	b. Rental from Property	-	3.00	-	5.50	12.00
	c. FMCG Products	-6.23	9.77	-3.44	10.33	45.11
	d. drone	6.79	110.51	1.34	125.87	143.41
	e. Leather	26.57	-	24.66	51.23	-
	f. hotel	180.91	86.97	167.03	627.25	222.16
	h. Others	6,216.91	93.54	27.04	6,381.52	287.20
	Total	6,530.69	407.72	268.32	7,581.01	1,031.11
	Less: Inter Segment revenue					
	Net Sales / Income from Operations	6,530.69	407.72	268.32	7,581.01	1,031.11
2	Segment Results (Profit before Tax and Interest)					
	a. Fertilizer	4.54	209.84	(31.56)	(14.00)	(5.42)
	b. Rental from Property	-	5.41	-	5.50	2.53
	c. FMCG Products	(24.04)	-642.17	-31.19	(39.92)	-668.41
	d. drone	(40.28)	-267.11	131.54	6.55	-150.87
	e. Leather	(390.14)	-	-105.24	(501.28)	-
	f. hotel	2.78	-24.85	-132.42	(102.48)	-48.41
	h. Others	-	-	0.35	-	-
	Total Segment results	(446.98)	(718.88)	(158.02)	(645.63)	(869.55)
	(i) Finance Costs	(854.59)	289.55	-	270.92	1,134.61
	(iii) Unallocated Corporate Expense Net of Unallocated Income	(1,003.31)	209.67	237.50	4,195.82	27.34
	Profit before tax	(2,304.85)	(798.76)	(406.52)	3,279.27	(1,976.86)
3	Segment Assets					
	a. Fertilizer	2,085.31	-697.21	430.07	2,304.59	424.28
	b. Rental from Property	-2.84	131.00	-	-	132.64
	c. FMCG Products	8.31	-100.06	-117.72	106.63	63.51
	d. Drone	92.85	165.61	6.73	211.72	261.07
	e. Leather	-44.79	-	147.75	104.31	-
	f. hotel	-175.21	13.33	103.28	80.46	36.77
	Unallocated	-6,976.81	5,416.64	-308.08	2,301.44	3,889.84
	Total Segment Assets	-4,963.71	4,929.33	267.53	5,109.15	4,809.81
4	Segment Liability					
	a. Fertilizer	-91.64	-2,185.20	-9.87	100.58	425.00
	b. Rental from Property	-	-	-	-	-
	c. FMCG Products	-63.80	17.76	-116.77	43.26	136.75
	d. drone	5.11	411.02	4.83	138.21	420.91
	e. Leather	250.64	-	35.54	286.18	-
	f. hotel	69.54	84.41	42.55	42.36	88.21
	Unallocated	-2,852.83	10,539.43	717.79	3,718.06	8,490.94
	Total Segment Liabilities	-2,682.92	8,869.42	674.07	4,328.69	9,562.71
5	Capital Employed (3-4) (Total Equity)	(2,280.80)	-3,940.09	(406.54)	780.46	-4,752.86

KOTHARI INDUSTRIAL CORPORATION LIMITED

Statement Cash Flow Statement for the year ended 31st March, 2024

Rs. in Lakhs

	For the year ended 31st March 2024	For the year ended 31st March 2023
A) Cash flow from Operating Activities		
PROFIT/(LOSS) BEFORE TAX	4032.44	(1,746.86)
ADJUSTMENTS FOR		
Depreciation and amortization expense	21.88	11.20
Finance Cost		1,134.61
Creditors written back		-
(Profit)/Loss on sale of Property		-
Provision for Doubtful Debts		-
Provision Long Term	9.53	-230.00
Duty Draw Back & Creditors Write back	0.36	
Interest Reversed (last year interest)	-1,124.66	
Bank Interest Received	-1.52	
Discount received	-141	
Sales of Fixed asset and land	-4,967.16	
Provisions no longer Required	-85.33	
- Other Income	-134.68	
deferred tax asset	3.00	
Increase in Non-current Provision		
Decrease in Other non-current liabilities		
	-4291.97	915.87
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	-259.53	(830.99)
ADJUSTMENTS FOR		
MOVEMENT IN WORKING CAPITAL:		
Inventories	39.09	54.45
Trade Receivables	251.45	(46.38)
Other Financial Assets	-121.11	(182.23)
Short Term Provisions	-101.42	-
Trade Payables	-134.99	(116.57)
Increase in Other non-current liabilities	7.87	
Other Financial Liabilities	3921.01	1,229.53
Current Liabilities		
Cash generated from operations	3649.90	948.60
Direct taxes paid (net of refunds)	-130.46	
NET CASH FLOW FROM OPERATING ACTIVITIES	1459.86	118.61
B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of Property, Plant and equipments, Intangibles	-211.92	(29.49)
(Profit)/Loss on sale of Property		
Discount Received		
Interest Received		
Net Advances Paid		(29.49)
Duty Draw Back & Creditors Write back	-0.26	
Interest Reversed (last year interest)	1,126.66	
Bank Interest Received	2.52	
Discount received	141	
Sales of Fixed asset and land	4,967.16	
Provisions no longer Required	85.33	
- Other Income	134.68	
NET CASH FLOW FROM INVESTING ACTIVITIES(B)	6101.59	
B) CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	655.92	1,016.23
Loans Repaid	-7244.25	
Loans & Advances Given	-495.41	49.80
Interest Paid		(1,134.61)
NET CASH FLOW FROM FINANCING ACTIVITIES(C)	-7483.74	(68.59)
NET INCREASE IN CASH AND CASH EQUIVALENTS(A+B+C)	77.73	20.72
CASH AND CASH EQUIVALENT OPENING BALANCE	37.79	17.09
EFFECT OF EXCHANGE DIFFERENCES ON RESTATEMENT OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENT CLOSING BALANCE	115.52	37.79
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on Hand		1.28
Balances on Current Accounts		36.51
Cheques on Hand		
TOTAL CASH AND CASH EQUIVALENTS	115.52	37.79

NOTES:

1) This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time.

2) The Audit committee and Board of Directors of the Company met on 27th May 2024, inter-alia to consider and approve the standalone audited financial results for the quarter and year ended 31.03.2024 but due to unavoidable circumstances the Meeting of Audit Committee and Board of Directors continued till 29.05.2024 and the above audited standalone financial results were reviewed and approved by the Audit Committee and Board of Directors on 29.05.2024.

3) The Company is engaged in trading of Fertilizer, Mixtures, FMCG Products, Royalty and Lease Rentals. During the year, the Company has started a new segment in the business of leather consumables.

4) Due to continued losses the net worth of the Company has eroded. However, the business plan envisaged by the management provides for large scale expansion with injection of additional finance through various funding sources. For this purpose, the Company has entered into agreements with various vendors for dealerships, of which the Company is confident of making profits in the future. In view of the foregoing, the financials have been prepared on the assumption of the Company being a Going Concern.

5) The proceedings initiated by the Collector of Nilgiris for repossession of certain plots of land in Coonoor earmarked for public use has been challenged by the company on a Writ Petition filed before Madras High Court and the matter is pending adjudication. The next date of hearing in this matter is scheduled to be held on 08-07-2024.

6) Pursuant to an arbitration award dated 30.9.2017 relating to additional electricity dues of Caustic Soda manufactured sold by the Company in the year 1986 amounting to Rs. 2.31 Crores together with interest at 6% p.a. The Company has challenged the award before the Madras High Court which was pending adjudication. However, during the year, a compromise arrangement was made between company and SPIC whereby the company has already made a payment Rs.1.15 crore during the financial year 2022-23 and after adjusting court deposit of Rs 60 lakhs balance amount of Rs 55 lakhs was to be paid in Financial Year 2023-24. Out of the balance of Rs 55 lakhs, Rs 30 lakhs has been paid during the year and the balance of Rs 25 lakhs will be paid in the subsequent years.

7) The company executed a sale deed on 14th September 2023 with M/s. Coromandel International Limited (Buyer) to sell a part of the assigned Land, Plant and machinery and building situated at Kathivakkam Village, Ennore, Chennai-600057 for a consideration of Rs. 50.28 crores. Out of a total of 45.17 acres land, 29.55 acres land has been sold to M/S. Coromandel International Limited and the remaining land is with the company. The sale deed has been signed by both parties and submitted to the Registrar which is pending only

for ascertain the market value. As a result, the Company considers the sale as complete in all respects and hence, has recognised as the profit on sale in the above results.

8) During the year, the Company has sold its land and plant and machinery located in its factory in Ennore to Coromandel International Limited for Rs 48,95,00,000 and Rs 1,33,00,000 respectively. The sale registration is still pending with the Sub Registrar office for assessment of market value for stamp duty purposes. Subject to this, the Company has computed capital gains on the sale consideration as per the sale deed. The management is in the process of filing a writ petition with Madaras high court disputing the guideline value fixed by the govt of Tamil Nadu.

9) The Company had signed a Memorandum of Settlement with Kartiken Logistics Ltd on 28th April 2018 by which the company has agreed to pay Rs 4,60,00,000 for termination of the contract out of which Rs 1,40,00,000 has been paid in FY19-20 and the balance of Rs 3,10,00,000 has to be paid on or before 31st December 2022 or at a mutually agreed date. As the liability to pay the balance of Rs 3,10,00,000 is still persistent and no amendment to the original agreement has been made as on 31-03-2024, the liability has been provided for in the books of accounts.

10) "During the year, NCLT vide its order dated 10.05.2023 had allowed for reduction of share capital from Rs 9,55,54,425 to Rs 6,24,19,425".

11) Land held by the company in Gujrat valued cost Rs.185174/-. The management produced form no. 7 issued by the local authority of Gujrat govt. Since the original documents have been misplaced, we could not produce the original document before the Auditor. For all the purpose the form no.7 can be treated as a title to the Gujrat property.

12) Confirmation with respect to promoter loans, trade receivables, trade payables, vendor advances, advances from customers and other advances/deposits received from some of the parties addressed to us and the same is produced before the auditor.

13) With respect to the long term and advances, we have received confirmation of Rs. 92332946/- . For rest of the parties, we sent confirmation letters but yet to receive reply from them.

14) The figures of the previous periods have been regrouped and reclassified wherever necessary.

15) The financial results are available on the website of BSE Limited and on the company's website www.kotharis.in

Place: Chennai
Date: 29.05.2024

For KOTHARI INDUSTRIAL CORPORATION LIMITED

J. RAFIQ AHMED
VICE CHAIRMAN AND MANAGING DIRECTOR

Independent Auditor's Report on Quarterly Financial Results and Year to Date Results of
KOTHARI INDUSTRIAL CORPORATION LIMITED pursuant to the Regulation 33 of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF KOTHARI INDUSTRIAL CORPORATION LIMITED

Report on the audit of the Standalone Financial Results

Qualified Opinion

We have audited the accompanying Statement ("the Statement") containing Standalone quarterly financial results of KOTHARI INDUSTRIAL CORPORATION LIMITED ("the Company") for the quarter ended March 31, 2024 and the year to date results for the period from April 01, 2023 to March 31, 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us:

a) except for the matters dealt with in the Basis for Qualified Opinion Para given below, the financial result is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b) Subject to the qualification in matters described in the Basis for Qualified Opinion Para given below, the accompanying standalone financial results give a true and fair view of the financial position of the Company, in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standard and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2024 as well as the year to date results for the period from April 01, 2023 to March 31, 2024.

Basis for Qualified Opinion

- 1) *During the year, the Company has sold its land and plant and machinery located in its factory in Ennore to Coromandel International Limited for Rs 48,95,00,000 and Rs 1,33,00,000 respectively. We were informed that the sale registration is still pending with the Sub Registrar office for assessment of market value for stamp duty purposes. Subject to this, the Company has computed capital gains on the sale consideration as per the sale deed. Pending the final order of the SRO, we are unable to comment on the correctness*



the computation of the capital gains in line with the relevant provisions of the Income Tax Act 1961. To this extent, the provision for income tax may undergo revision depending on the outcome of the order of the competent authority against the writ petition.

- 2) For the land held by the Company in Gujarat valued at cost Rs 1,85,174 since only Form 7 was made available, we are unable to comment on the title of the Company as sufficient audit evidence viz sale deed/allotment letter was not provided.*
- 3) Year-end direct balance confirmation in respect of promoter loans, trade receivables, trade payables, vendor advances, advances from customers and other advances/deposits have not been provided for our verification and record for all the parties. In the absence of such confirmations, we are unable to ascertain any consequential effect of the above in the financial results for the year.*
- 4) Out of the long-term loans and advances of Rs 9,79,06,905, sufficient audit evidence by way of loan/deposit agreements, balance confirmations was not provided for Rs 55,73,959. Hence, we are unable to substantiate the correctness and existence of these loans & advances.*
- 5) The Company has receivable in GST account as per books of Rs 4,98,493 which has not been reconciled with the GST portal. Further, there is a debit balance in GST payable account in the books amounting to Rs 16,37,333 as against a liability of Rs 10,73,896 in the GST return filed for the month of March 2024. We are unable to verify the same in the absence of reconciliation by the Company.
Due to such statutory non-compliance, we are unable to comment on the actual recoverability and payment of the dues against such balances.*
- 6) The proceedings initiated by the Collector of Nilgiris for repossession of certain plots of land in Coonoor earmarked for public use has been challenged by the company on a Write Petition filed before Madras High Court and the matter is pending adjudication. Decision, if any, by the Madras High Court which does not go in favor of the Company, could give rise to a liability and consequential loss, which could not be ascertained at the balance sheet date.*

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Responsibilities of the Management and Those Charged with Governance for the Statements

These standalone financial results have been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss for the year ended

March 31, 2024 and other comprehensive loss and other financial information of the company in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of such controls.

3/4



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

For Ray & Ray
Chartered Accountants
FRN 301072E

V. Raman

V. Raman
Partner

M.No 019839

Date: 29/05/2024

Place: Chennai

UDIN: 240198398K2&X3212



ANNEXURE I

Statement on Impact of Audit Qualifications submitted along with Annual audited financial results- Standards.

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 (See Regulation 53/52 of the SEBI (LODR) (Amendment) Regulations, 2016)				
			(Rs in Lakhs except EPS)	
L	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)*
	1.	Turnover / Total Income	7881.02	N.A.
	2.	Total Expenditure	3648.57	N.A.
	3.	Net Profit/(Loss)	4832.44	N.A.
	4.	Earnings Per Share (EPS)	15.30	N.A.
	5.	Total Assets	5109.15	N.A.
	6.	Total Liabilities	4326.69	N.A.
	7.	Net Worth	780.46	N.A.
	8.	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL
		*N.A. Not ascertainable/not quantified		

II. Audit Qualification:

a. **Details of Audit Qualification:** During the year, the Company has sold its land and plant and machinery located in its factory in Ennore to Coromandel International Limited for Rs 48,95,00,000 and Rs 1,31,00,000 respectively. We were informed that the sale registration is still pending with the Sub Registrar office for assessment of market value for stamp duty purposes. Subject to this, the Company has computed capital gains on the sale consideration as per the sale deed. Pending the final order of the SAC, we are unable to comment on the correctness of the computation of the capital gains in line with the relevant provisions of the Income Tax Act 1961. To this extent, the provision for income tax may undergo revision depending on the outcome of the order of the competent authority against the writ petition.

- b. Type of Audit Qualification : Qualified Opinion
- c. Frequency of qualification: appeared first time
- d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
- e. For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:



(ii) if management is unable to estimate the impact, reasons for the same: Refer note No.8

(iii) Auditors' Comments on (i) or (ii) above: Our qualification remains unchanged

a. Details of Audit Qualification: Year-end direct balance confirmation in respect of promoter loans, trade receivables, trade payables, vendor advances, advances from customers and other advances/deposits have not been provided for our verification and record for all the parties. In the absence of such confirmations, we are unable to ascertain any consequential effect of the above in the financial results for the year.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reasons for the same: Refer note no.12

(iii) Auditors' Comments on (i) or (ii) above:
Our qualification remains unchanged

ii. Audit Qualification:

a. Details of Audit Qualification: Out of the long-term loans and advances of Rs 9,79,06,905, sufficient audit evidence by way of loan/deposit agreements, balance confirmations was not provided for Rs 55,73,959. Hence, we are unable to substantiate the correctness and existence of these loans & advances.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Refer note no.13

(ii) If management is unable to estimate the impact, reasons for the same: NA

(iii) Auditors' Comments on (i) or (ii) above:
Our qualification remains unchanged



(ii) If management is unable to estimate the impact, reasons for the same: Refer note No.8

(iii) Auditors' Comments on (i) or (ii) above: Our qualification remains unchanged

a. Details of Audit Qualification: Year end direct balance confirmation in respect of promoter loans, trade receivables, trade payables, vendor advances, advances from customers and other advances/deposits have not been provided for our verification and record for all the parties. In the absence of such confirmations, we are unable to ascertain any consequential effect of the above in the financial results for the year.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reasons for the same: Refer note no.12

(iii) Auditors' Comments on (i) or (ii) above:
Our qualification remains unchanged

ii. Audit Qualification:

a. Details of Audit Qualification: Out of the long-term loans and advances of Rs 9,79,06,905, sufficient audit evidence by way of loan/deposit agreements, balance confirmations was not provided for Rs 55,73,959. Hence, we are unable to substantiate the correctness and existence of these loans & advances.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Refer note no.13

(ii) If management is unable to estimate the impact, reasons for the same: NA

(iii) Auditors' Comments on (i) or (ii) above:
Our qualification remains unchanged



Audit Qualification (each audit qualification separately):

ii. a. **Details of Audit Qualification:** *The proceedings initiated by the Collector of Nilgiris for repossession of certain plots of land in Coonoor earmarked for public use has been challenged by the company on a Writ Petition filed before Madras High Court and the matter is pending adjudication. Decision, if any, by the Madras High Court which does not go in favor of the Company, could give rise to a liability and consequential loss, which could not be ascertained at the balance sheet date.*

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of qualification:** appeared first time

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**

(ii) **If management is unable to estimate the impact, reasons for the same:** Depend upon output of case filed with Madras High court and refer note no.5.

(iii) **Auditors' Comments on (i) or (ii) above:**
Our qualification remains unchanged

Audit Qualification:

B. a. **Details of Audit Qualification:**
The Company has receivable in GST account as per books of Rs 4,98,493 which has not been reconciled with the GST portal. Further, there is a debit balance in GST payable account in the books amounting to Rs 16,37,333 as against a liability of Rs 10,73,696 in the GST return filed for the month of March 2024. We are unable to verify the same in the absence of reconciliation by the Company. Due to such statutory non-compliance, we are unable to comment on the actual recoverability and payment of the dues against such balances

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of qualification:** appeared first time

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** NA

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:**

(ii) **If management is unable to estimate the impact, reasons for the same:** Our finance team is working diligently to reconcile the GST receivable and payable accounts with the GST portal and rectify



any discrepancies. We are committed to resolving these compliance issues promptly and ensuring all statutory dues are up to date.

(III) Auditors' Comments on (I) or (II) above:
Our qualification remains unchanged

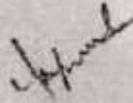
III. Signatories



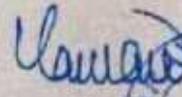
Rafiq Ahmed
Managing Director



Hari Kishore
CFO

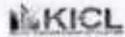


Dilip Machado
Chairman of Audit Committee


V Ramen
Partner


For RAY & RAY
Chartered Accountant

Place: Chennai
Date: 29.05.2024

**KOTHARI INDUSTRIAL CORPORATION LIMITED**

Regd. Office: Kothari Buildings, 114, Mahatma Gandhi Saai, Nungambakkam, Chennai - 600034

CIN No. L74110TN1970PLC005865

email id: enquiries@kotharis.in

(Rs. in lakhs)

AUDITED STATEMENT OF RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2024

PARTICULARS	CONSOLIDATION				
	Quarter Ended			Year Ended	
	31.03.24	31.03.23	31.12.2023	31.03.2024	31.03.2023
	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
Income from Operations					
Gross Revenue from sale of products and	338.40	358.59	216.64	1291.00	731.91
Other Operating revenue	11.65	57.01	-0.01	72.52	225.73
REVENUE FROM OPERATIONS ((i)+(ii))	350.05	415.60	216.63	1,363.52	957.64
OTHER INCOME	6180.65	-7.87	51.69	6317.50	73.48
1 TOTAL REVENUE	6530.70	407.73	268.32	7681.02	1031.12
EXPENSES					
a) Cost of Material consumed	-	-	-	0.00	-
b) Purchase of stock-in-trade	240.59	262.91	172.80	882.74	531
c) Changes in inventories of finished goods, stock-in-trade, work-in-progress and	9.03	(81.25)	9.36	29.08	(18.77)
d) Excise duty	0.00	-	-	0.00	0
e) Employee Benefits Expenses	551.08	159.88	154.49	861.74	288.67
f) Finance Costs	268.72	289.55	0.11	270.92	1,134.61
g) Depreciation and amortisation expense	6.68	3.28	15.22	24.91	11.29
h) Other expenses	813.79	342.21	322.97	1579.55	831.49
2 TOTAL EXPENSES	4 1,889.89	976.58	674.95	3,648.93	2,778.29
3 PROFIT/ (LOSS) Before Exceptional and Tax (1-2)	5 4,640.81	(568.85)	(406.63)	4,032.07	(1,747.17)
4 Exceptional Items	6				
a) Loss/Profit on Sale of Asset	(4,981.86)				
b) Creditors Written Back	(85.37)		0.04		
c) Provision for Expenses	(1,125.51)	(230.00)			(230.00)
5 PROFIT/ (LOSS) Before tax (3-4)	7 (1,551.93)	(798.85)	(406.59)	4,032.07	(1,977.17)
6 Extraordinary Items	8				
7 PROFIT/ (LOSS) Before Tax (5-b)	9 (1,551.93)	(798.85)	(406.59)	4,032.07	(1,977.17)
8 TAX EXPENSE	10			130.49	
a) Deferred tax				732.64	
9 PROFIT/(LOSS) FOR THE PERIOD (7-8)	11 (1,551.93)	(798.85)	(406.59)	3,168.94	(1,977.17)
10 OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to profit or loss	12			109.96	-14.00
11 TOTAL COMPREHENSIVE INCOME (9+10)	13 (1,551.93)	(812.85)	(406.59)	3,278.90	(1,991.17)
12 PAID-UP EQUITY SHARE CAPITAL (Face Value of the Share is of Rs. 5/- each)	14			624.19	955.54
13 annualised):					
Basic & Diluted (Rs.)	(12.43)	(4.25)	(3.26)	26.27	(10.42)

KOTHARI INDUSTRIAL CORPORATION LIMITED

Rs in Lakhs

Consolidated Balance Sheet			
Particulars		31.03.2024	31.03.2023
		(Audited)	(Audited)
A	ASSETS		
	NON-CURRENT ASSETS		
1	(a) Property, Plant and Equipment	2,960.05	2,753.81
	(b) Intangible assets	3.11	3.22
	(c) Property held for sale	0	0
	(d) Deferred tax assets (net)	45.39	778.03
	(e) Miscellaneous Expenditure	-	0.03
	(f) Financial Assets		
	(i) Investments	-	-
	(ii) Loans	979.07	83.66
	(iii) Others	-	-
	(g) Other non-current assets	-	-
	Non-Current Assets	3,996.63	3,618.76
2	CURRENT ASSETS		
	(a) Inventories	138.75	167.84
	(b) Financial Assets	-	-
	(i) Investments	-	-
	(ii) Trade receivables	19.09	271.54
	(iii) Cash and cash equivalents	115.52	37.79
	(iv) Other Bank Balances	-	-
	(v) Other financial assets	829.55	704.44
	(vi) Other	-	-
	(c) Other current assets	-	-
	Current Assets	1,102.92	1,181.61
	TOTAL ASSETS	5,099.55	4,800.38
B	EQUITY AND LIABILITIES		
	EQUITY		
	(a) Equity Share Capital	624.19	955.54
	(b) Other Equity	155.00	(5,709.28)
	Equity	779.19	-4,753.73
	LIABILITIES		
1	NON-CURRENT LIABILITIES		
	(a) Financial Liabilities		
	(i) Borrowings	21.55	7,265.80
	(ii) Other Financial liabilities	-	-
	(b) Provisions	19.94	19.29
	(c) Deferred tax Liabilities (Net)	-	-
	(d) Other non-current liabilities	7.90	-
	Non Current Liabilities	49.39482	7285.09
2	CURRENT LIABILITIES		
	(a) Financial Liabilities		
	(i) Borrowings	655.92	-
	(ii) Trade payables	-	-
	Total outstanding dues of micro enterprises and small enterprises	39.04	5.24
	Total outstanding dues of creditors other than micro enterprises and small enterprises	-53.09	115.71
	(ii) Other Financial liabilities	3,622.82	2,040.39
	(b) Other Current liabilities	0.44	0.44
	(c) Provisions	5.84	107.26
	(d) Current Tax Liabilities (Net)	-	-
	Current Liabilities	4270.97	2269.02
	TOTAL EQUITY AND LIABILITIES	5,099.55	4,800.38

Segment-wise Revenue, Results, Assets and Liabilities for the Quarter and Year ended 31st March 2024

Sl. No.	PARTICULARS	CONSOLIDATION				
		Quarter Ended			Year Ended	
		31.03.24 (audited)	31.03.23 (audited)	31.12.2023 (Unaudited)	31.03.2024 (audited)	31.03.2023 (audited)
1	Segment Revenue (Net Sales/Income from Operations)					
	a. Fertilizer	105.69	105.33	48.69	275.51	521.11
	b. Rental from Property	-	3.00	-	5.50	17.30
	c. FMCG Products	-6.23	9.77	-0.44	10.33	45.17
	d. drone	5.79	110.31	1.34	326.87	143.47
	e. Marketing	26.57	-	24.66	51.13	-
	f. hotel	180.92	86.97	167.03	627.45	222.26
	h. Others	5,215.95	92.54	27.04	6,384.53	287.21
	Total	6,530.69	407.72	258.32	7,681.02	1,031.12
	less: Inter Segment revenue					
	Net Sales / Income from Operations	6,530.69	407.72	258.32	7,681.02	1,031.12
2	Segment Results (Profit before Tax and Interest)					
	a. Fertilizer	4.54	209.84	(31.56)	(14.00)	(9.43)
	b. Rental from Property	-	5.41	-	5.50	7.51
	c. FMCG Products	(14.04)	(642.17)	(31.19)	(39.02)	(868.41)
	d. drone	(40.20)	(267.11)	131.54	6.55	(150.81)
	e. Marketing	(390.14)	-	(105.24)	(501.28)	-
	f. hotel	2.76	(24.85)	(132.42)	(102.48)	(48.45)
	h. Others	-	-	(0.15)	(0.03)	(0.31)
	Total Segment results	(446.98)	(718.88)	(169.02)	(645.66)	(865.90)
	(i) Finance Costs	4854.99	289.55	-	270.92	1,134.61
	(ii) Unallocated Corporate Expense Net of Unallocated Income	(1,093.32)	209.57	237.50	4,195.82	27.34
	Profit before tax	(2,304.89)	(798.76)	(406.52)	3,279.24	(1,977.17)
3	Segment Assets					
	a. Fertilizer	2,085.35	-497.21	430.07	2,304.58	424.29
	b. Rental from Property	-2.80	131.00	-	-	132.60
	c. FMCG Products	8.31	-100.06	-112.22	106.63	61.51
	d. Drone	92.35	165.63	6.73	211.72	261.85
	e. Marketing	-44.79	-	147.75	104.31	-
	f. hotel	-175.23	13.33	101.28	80.46	39.77
	Unallocated	-6,975.85	3,416.64	-308.08	2,291.84	3,890.36
	Total Segment Assets	-4,963.72	4,929.33	267.53	6,099.51	4,800.38
4	Segment Liability					
	a. Fertilizer	-81.64	-2,185.20	-9.87	100.58	425.90
	b. Rental from Property	-	-	-	-	-
	c. FMCG Products	-63.80	17.26	-116.77	43.26	136.73
	d. drone	5.17	413.02	4.83	138.21	420.92
	e. Marketing	250.64	-	35.54	786.18	-
	f. hotel	69.54	84.41	42.55	47.58	88.23
	Unallocated	-2,852.83	10,579.43	717.79	3,709.75	8,482.33
	Total Segment Liabilities	-2,682.92	8,269.42	674.07	4,320.36	9,554.11
5	Capital Employed (3-4) (Total Equity)	(2,260.80)	-3,340.09	(406.54)	779.19	(4,753.73)

KOTHARI INDUSTRIAL CORPORATION LIMITED		Consolidated Cash Flow Statement for the year ended 31st March, 2024		Rs. In Lacs	
	For the year ended 31st March 2024		For the year ended 31st March 2023		
	(Audited)		(Audited)		
A) Cash flow from Operating Activities					
PROFIT/(LOSS) BEFORE TAX		4032.41		(1,747.17)	
ADJUSTMENTS FOR					
Depreciation and amortization expense		24.91		11.29	
Finance Cost				1,134.61	
Debtors written back				(0.26)	
Profit/Loss on sale of Property				-	
Provision Long Term		1.65		-230.00	
Provision for Doubtful Debts					
Other income					
Discount Received					
Duty Draw Back & Creditors Write back		0.26			
Interest Revised (last year interest)		-1,120.66			
Bank Interest Received		-2.52			
Discount received		-1.41			
Sales of Fixed asset and land		-4,967.16			
Provisions no longer Required		-85.33			
- Other income		134.68			
deferred tax asset		3.00			
Increase in Misc. Expenses		1.03			
Provision for tax					
Deferred Tax Asset		1.00			
Increase in Non-current Provision					
Increase in Other non-current liabilities		1.30			
Decrease in Other non-current liabilities					
		-6284.01		915.64	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		-2251.60		(831.27)	
ADJUSTMENTS FOR					
MOVEMENT IN WORKING CAPITAL:					
Inventories		29.09		54.45	
Trade Receivables		251.45		(46.37)	
Other Financial Assets		-325.33		(162.23)	
Short Term Provisions		-101.42		-	
Trade Payables		-139.90		(115.55)	
Other Financial Liabilities		3921.89		1,239.67	
Current Liabilities				0.90	
Cash generated from operations		3841.90		950.06	
Direct taxes paid (net of refunds)		-130.49			
NET CASH FLOW FROM OPERATING ACTIVITIES		1459.91		118.79	
B) CASH FLOW FROM INVESTING ACTIVITIES					
Sale / (Purchase) of Property, Plant and equipments, Intangibles		-215.84		(29.48)	
Duty Draw Back & Creditors Write back		-0.26		-	
Interest Revised (last year interest)		1,120.66			
Bank Interest Received		2.52			
Discount received		1.41			
Sales of Fixed asset and land		4,967.16			
Provisions no longer Required		85.33			
- Other income		131.68			
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		6101.66		(29.48)	
B) CASH FLOW FROM FINANCING ACTIVITIES					
Long Term Borrowings		615.92		1,010.22	
Loans Repaid		-724.25		49.80	
Loans & Advances Given		-815.42		(1,134.61)	
Interest Paid					
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		-743.75		(68.59)	
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		77.73		20.71	
CASH AND CASH EQUIVALENT OPENING BALANCE		37.79		17.09	
EFFECT OF EXCHANGE DIFFERENCES ON RESTATEMENT OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS		0.00		-	
CASH AND CASH EQUIVALENT CLOSING BALANCE		115.52		37.79	
COMPONENTS OF CASH AND CASH EQUIVALENTS					
Cash on Hand				1.78	
Balances on Current Accounts				36.51	
Cheques on Hand					
TOTAL CASH AND CASH EQUIVALENTS		115.52		37.79	

NOTES:

1) This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time.

2) The Audit committee and Board of Directors of the Company met on 27th May 2024, inter-alia to consider and approve the consolidated audited financial results for the quarter and year ended 31.03.2024 but due to unavoidable circumstances the Meeting of Audit Committee and Board of Directors continued till 29.05.2024 and the above audited consolidated financial results were reviewed and approved by the Audit Committee and Board of Directors on 29.05.2024.

3) The Company is engaged in trading of Fertilizer, Mixtures, FMCG Products, Royalty and Lease Rentals. During the year, the Company has started a new segment in the business of leather consumables.

4) Due to continued losses the net worth of the Company has eroded. However, the business plan envisaged by the management provides for large scale expansion with injection of additional finance through various funding sources. For this purpose, the Company has entered into agreements with various vendors for dealerships, of which the Company is confident of making profits in the future. In view of the foregoing, the financials have been prepared on the assumption of the Company being a Going Concern.

5) The proceedings initiated by the Collector of Nilgiris for repossession of certain plots of land in Coonoor earmarked for public use has been challenged by the company on a Writ Petition filed before Madras High Court and the matter is pending adjudication. The next date of hearing in this matter is scheduled to be held on 09-07-2024.

6) Pursuant to an arbitration award dated 30.9.2017 relating to additional electricity dues of Caustic Soda manufactured sold by the Company in the year 1986 amounting to Rs. 2.31 Crores together with interest at 6% p.a. The Company has challenged the award before the Madras High Court which was pending adjudication. However, during the year, a compromise arrangement was made between company and SPIC whereby the company has already made a payment Rs.1.15 core during the financial year 2022-23 and after adjusting court deposit of Rs 60 lakhs balance amount of Rs 55 lakhs was to be paid in Financial Year 2023-24. Out of the balance of Rs 55 lakhs, Rs 30 lakhs has been paid during the year and the balance of Rs 25 lakhs will be paid in the subsequent years.

7) The company executed a sale deed on 14th September 2023 with M/s. Coromandel International Limited (Buyer) to sell a part of the assigned Land, Plant and machinery and building situated at Kathivakkam Village, Ennoie, Chennai-600057 for a consideration of Rs. 50.28 crores. Out of a total of 45.17 acres land, 29.55 acres land has been sold to M/S. Coromandel International Limited and the remaining land is with the company. The sale deed has been signed by both parties and submitted to the Registrar which is pending only

for ascertain the market value. As a result, the Company considers the sale as complete in all respects and hence, has recognised as the profit on sale in the above results.

8) During the year, the Company has sold its land and plant and machinery located in its factory in Ennore to Coromandel International Limited for Rs 48,95,00,000 and Rs 1,33,00,000 respectively. The sale registration is still pending with the Sub Registrar office for assessment of market value for stamp duty purposes. Subject to this, the Company has computed capital gains on the sale consideration as per the sale deed. The management is in the process of filing a writ petition with Madaras high court disputing the guideline value fixed by the govt of Tamil Nadu.

9) The Company had signed a Memorandum of Settlement with Kartiken Logistics Ltd on 28th April 2018 by which the company has agreed to pay Rs 4,50,00,000 for termination of the contract out of which Rs 1,40,00,000 has been paid in FY19-20 and the balance of Rs 3,10,00,000 has to be paid on or before 31st December 2022 or at a mutually agreed date. As the liability to pay the balance of Rs 3,10,00,000 is still persistent and no amendment to the original agreement has been made as on 31-03-2024, the liability has been provided for in the books of accounts.

10) "During the year, NCLT vide its order dated 10.05.2023 had allowed for reduction of share capital from Rs 9,56,54,425 to Rs 6,24,19,425".

11) Land held by the company in Gujrat valued cost Rs.185174/-. The management produced form no. 7 issued by the local authority of Gujrat govt. Since the original documents have been misplaced, we could not produce the original document before the Auditor. For all the purpose the form no.7 can be treated as a title to the Gujrat property.

12) Confirmation with respect to promoter loans, trade receivables, trade payables, vendor advances, advances from customers and other advances/deposits received from some of the parties addressed to us and the same is produced before the auditor.

13) With respect to the long term and advances, we have received confirmation of Rs. 92332946/- . For rest of the parties, we sent confirmation letters but yet to receive reply from them.

14) The figures of the previous periods have been regrouped and reclassified wherever necessary.

15) The financial results are available on the website of BSE Limited and on the company's website www.kothariis.in

Place: Chennai
Date: 29.05.2024
For KOTHARI INDUSTRIAL CORPORATION LIMITED

J. RAFIQ AHMED
VICE CHAIRMAN AND MANAGING DIRECTOR

Independent Auditor's Report on Quarterly Financial Results and Year to Date Results of **KOTHARI INDUSTRIAL CORPORATION LIMITED** pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF KOTHARI INDUSTRIAL CORPORATION LIMITED

Report on the audit of the Consolidated Financial Results

Qualified Opinion

We have audited the accompanying Statement ("the Statement") containing Consolidated quarterly financial results of KOTHARI INDUSTRIAL CORPORATION LIMITED ("the Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the quarter ended March 31, 2024 and the year to date results for the period from April 01, 2023 to March 31, 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us:

a) except for the matters dealt with in the Basis for Qualified Opinion Para given below, the financial result is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

b) Subject to the qualification in matters described in the Basis for Qualified Opinion Para given below, the accompanying consolidated financial results give a true and fair view of the financial position of the Company, in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standard and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2024 as well as the year to date results for the period from April 01, 2023 to March 31, 2024.

Basis for Qualified Opinion

- 1) *During the year, the Company has sold its land and plant and machinery located in its factory in Ennore to Coromandel International Limited for Rs 48,95,00,000 and Rs 1,33,00,000 respectively. We were informed that the sale registration is still pending with the Sub Registrar office for assessment of market value for stamp duty purposes. Subject to this, the Company has computed capital gains on the sale consideration as per the sale deed. Pending the final order of the SRO, we are unable to comment on the correctness of the computation of the capital gains in line with the relevant provisions of the Income Tax Act 1961. To this extent, the provision for income tax may undergo revision depending on the outcome of the order of the competent authority against the writ petition.*



For the land held by the Company in Gujarat valued at cost Rs 1,85,174 since only Form 7 was made available, we are unable to comment on the title of the Company as sufficient audit evidence i.e. sale deed/allotment letter was not provided

3) Year-end direct balance confirmation in respect of promoter loans, trade receivables, trade payables, vendor advances, advances from customers and other advances/deposits have not been provided for our verification and record for all the parties. In the absence of such confirmations, we are unable to ascertain any consequential effect of the above in the financial results for the year.

4) Out of the long-term loans and advances of Rs 9,79,06,905, sufficient audit evidence by way of loan/deposit agreements, balance confirmations was not provided for Rs 55,73,959. Hence, we are unable to substantiate the correctness and existence of these loans & advances.

5) The Company has receivable in GST account as per books of Rs 4,98,493 which has not been reconciled with the GST portal. Further, there is a debit balance in GST payable account in the books amounting to Rs 16,37,333 as against a liability of Rs 10,73,696 in the GST return filed for the month of March 2024. We are unable to verify the same in the absence of reconciliation by the Company.

Due to such statutory non-compliance, we are unable to comment on the actual recoverability and payment of the dues against such balances.

6) The proceedings initiated by the Collector of Nilgiris for repossession of certain plots of land in Coonoor earmarked for public use has been challenged by the company on a Write Petition filed before Madras High Court and the matter is pending adjudication. Decision, if any, by the Madras High Court which does not go in favor of the Company, could give rise to a liability and consequential loss, which could not be ascertained at the balance sheet date.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

The Statement includes the results of Kothari Marine International Limited, a subsidiary incorporated in India.

Responsibilities of the Management and Those Charged with Governance for the Statements

These consolidated financial results have been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss for the year ended March 31, 2024 and other comprehensive loss and other financial information of the company in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This



responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

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

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

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as

going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.

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

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

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

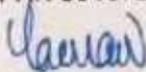
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

We did not review the financial results and other information of the Subsidiary, Kothari Marine International Limited, whose financial information have been certified and furnished by the Management and whose financial results reflect total assets of Rs 9,17,154 lakhs and total net loss after tax 37,883 for the year ended 31st March 2024 as considered in the consolidated financial results.

Our report is not modified in respect of the above matter.

For Ray & Ray
Chartered Accountants
FRN 301072E



V. Raman
Partner
M.No 019839

Place: Chennai

Date: 29/05/2024

UDIN: 24019839BKBZ QY5504



ANNEXURE I

Statement on Impact of Audit Qualifications submitted along with Annual audited financial results: Consolidated.

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024. [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
(Rs In Lakhs except EPS)				
I	Sl. No.	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)*
	1	Turnover / Total Income	7681.02	N.A.
	2	Total Expenditure	3646.94	N.A.
	3	Net Profit/(Loss)	4032.06	N.A.
	4	Earnings Per Share (EPS)	25.26	N.A.
	5	Total Assets	5109.04	N.A.
	6	Total Liabilities	4328.60	N.A.
	7	Net Worth	780.45	N.A.
	8	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL
		*Not ascertainable/not quantified		
ii.	Audit Qualification:			
	a.	<i>Details of Audit Qualification: During the year, the Company has sold its land and plant and machinery located in its factory in Ennore to Coramandel International Limited for Rs 48,95,00,000 and Rs 2,33,00,000 respectively. We were informed that the sale registration is still pending with the Sub Registrar office for assessment of market value for stamp duty purposes. Subject to this, the Company has computed capital gains on the sale consideration as per the sale deed. Pending the final order of the SRC, we are unable to comment on the correctness of the computation of the capital gains in line with the relevant provisions of the Income Tax Act 1961. To this extent, the provision for income tax may undergo revision depending on the outcome of the order of the competent authority against the writ petition.</i>		
	b.	Type of Audit Qualification:	Qualified Opinion	
	c.	Frequency of qualification:	appeared first time	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's View:	NA	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	(i) Management's estimation on the impact of audit qualifications	



(i) If management is unable to estimate the impact, reasons for the same: Refer note No.8

(ii) Auditors' Comments on (i) or (ii) above:

Our qualification remains unchanged

a. Details of Audit Qualification: year-end direct balance confirmation in respect of promoter loans, trade receivables, trade payables, vendor advances, advances from customers and other advances/deposits have not been provided for our verification and record for all the parties. In the absence of such confirmations, we are unable to ascertain any consequential effect of the above in the financial results for the year.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification

(ii) If management is unable to estimate the impact, reasons for the same: Refer note no.12

(iii) Auditors' Comments on (i) or (ii) above:

Our qualification remains unchanged

ii. Audit Qualification:

a. Details of Audit Qualification: Out of the long-term loans and advances of Rs 9,79,06,905, sufficient audit evidence by way of loan/deposit agreements, balance confirmations was not provided for Rs 55,73,959. Hence, we are unable to substantiate the correctness and existence of these loans & advances.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification

(ii) If management is unable to estimate the impact, reasons for the same: Refer note no.13

(iii) Auditors' Comments on (i) or (ii) above:

Our qualification remains unchanged



II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification: *The proceedings initiated by the Collector of Nilgiris for repossession of certain plots of land in Coonoor earmarked for public use has been challenged by the company on a Writ Petition filed before Madras High Court and the matter is pending adjudication. Decision, if any, by the Madras High Court which does not go in favor of the Company, could give rise to a liability and consequential loss, which could not be ascertained at the balance sheet date.*

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:
NA

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification:

(ii) If management is unable to estimate the impact, reasons for the same: Depend upon output of case filed with Madras high court and refer note no.5.

(iii) Auditors' Comments on (i) or (ii) above:

Our qualification remains unchanged

Audit Qualification:

II. a. Details of Audit Qualification

The Company has receivable in GST account as per books of Rs 4,98,493 which has not been reconciled with the GST portal. Further, there is a debit balance in GST payable account in the books amounting to Rs 16,37,333 as against a liability of Rs 10,73,896 in the GST return filed for the month of March 2024. We are unable to verify the same in the absence of reconciliation by the Company.

Due to such statutory non-compliance, we are unable to comment on the actual recoverability and payment of the dues against such balances

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of qualification: appeared first time

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualifications:



(ii) If management is unable to estimate the impact, reasons for the same: *Our finance team is working diligently to reconcile the GST receivable and payable accounts with the GST portal and rectify any discrepancies. We are committed to resolving these compliance issues promptly and ensuring all statutory dues are up to date.*

(iv) Auditors' Comments on (i) or (ii) above:
Our qualification remains unchanged

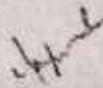
iii. Signatories:



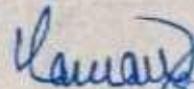
Rafiq Ahmed
Managing Director



Hari Kishore
CFO



Dilip Machado
Chairman of Audit Committee



V Raman

Partner

For RAY & RAY

Chartered Accountants



Place: Chennai
Date: 29.05.2024