

KOTHARI INDUSTRIAL CORPORATION LIMITED

CIN No.L24110TN1970PLC005865

"Kothari Buildings" No.114/117, Mahatma Gandhi Salai

Nungambakkam, Chennai - 600 034

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31.05.2018

Bombay Stock Exchange Limited
Regd. Office
Floor 25, P.J.Towers
Dalal Street
Mumbai – 400 001.

Dear Sirs,

Sub: Audited Financial Results for the Financial Year ended 31.03.2018

Further to our letter dated 30.05.2018, kindly note that at the Meeting of the Board of Directors commenced at 4.00 p.m. on 30.05.2018 and concluded at 9.00 p.m. on the same day, the Board approved and have taken on record the Audited Financial Results of the Company for the Financial Year ended 31.03.2018. The said results are enclosed herewith and we request you to take on record the same. Further, please note that the said results are being published in English and Vernacular language newspapers in the prescribed format.

Thanking you

Yours faithfully

For Kothari Industrial Corporation Limited


Pradip D Kothari
Chairman

Encl.: as above



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(Rs.in lakhs)

AUDITED STATEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH 2018

PARTICULARS		Quarter Ended			Year Ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Gross Revenue from sale of products and services	(i)	416.89	755.40	460.01	1444.82	3191.25
Other Operating revenue	(ii)	66.36	46.71	53.18	205.44	189.78
REVENUE FROM OPERATIONS ((i)+(ii))	1	483.25	802.11	513.19	1,650.26	3,381.03
OTHER INCOME	2	146.55	20.87	58.68	195.49	59.21
TOTAL INCOME (1+2)	3	629.80	822.98	571.87	1,845.75	3440.24
EXPENSES				111.86		248.99
a) Cost of Material consumed		1.25	-	1.00	19.54	159.05
b) Purchase of stock-in-trade		344.77	697.28	282.64	1254.86	2391.72
c) Changes in inventories of finished goods, stock-in-trade, work-in-progress and Intermediates		34.81	(79.59)	80.28	(55.36)	69.22
d) Excise duty		0.00	-	0.15	0.07	2.05
e) Employee Benefits Expenses		61.15	43.88	28.26	171.26	126.88
f) Finance Costs		0.18	-	248.19	6.53	317.15
e) Depreciation and amortisation expense		(259.30)	102.50	104.00	48.20	411.23
f) Other expenses		241.24	136.58	160.94	543.26	532.88
TOTAL EXPENSES	4	424.10	900.65	905.46	1,988.36	4,010.18
PROFIT/ (LOSS) Before Exceptional and Extraordinary Items and Tax (3-4)	5	205.70	(77.67)	(333.59)	(142.61)	(569.94)
Exceptional Items	6					
expenses		200.47			200.47	
provisions and Credit balances Written back		(89.62)			(89.62)	
PROFIT/ (LOSS) Before Extraordinary Items and Tax (5-6)	7	94.85	(77.67)	(333.59)	(253.46)	(569.94)
Extraordinary Items	8					
PROFIT/ (LOSS) Before Tax (7-8)	9	94.85	(77.67)	(333.59)	(253.46)	(569.94)
TAX EXPENSE	10	-	-	-	-	-
a) Current Tax		-	-	-	-	-
b) Deferred Tax		-	-	-	-	-
PROFIT/(LOSS) FOR THE PERIOD (9-10)	11	94.85	(77.67)	(333.59)	(253.46)	(569.94)
OTHER COMPREHENSIVE INCOME	12	0.83	-	-	0.83	-
A (i) Items that will not be reclassified to profit or loss		0.83	-	-	0.83	-
(ii) Income tax relating to items that will not be reclassified to Profit or loss		-	-	-	-	-
B (i) Items that will be reclassified to profit or loss		-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to Profit or loss		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME (7+8)	9	95.68	(77.67)	(333.59)	(252.63)	(569.94)
PAID-UP EQUITY SHARE CAPITAL	10	955.54	955.54	955.54	955.54	955.54
(Ordinary shares of Re. 5/- each)						
RESERVE EXCLUDING REVALUATION RESERVES	11					
EARNING PER SHARE(of Re. 5/- each) (not annualised):						
(a) Basic (Rs.)		0.50	(0.41)	(1.75)	(1.33)	(2.98)
(b) Diluted (Rs.)		0.50	(0.41)	(1.75)	(1.33)	(2.98)



Balance Sheet		STANDALONE		
Particulars		As at 31st March. 2018	As at 31st March 2017	As at 1st April 2016
		(Audited)	(Audited)	(Audited)
A	ASSETS			
	NON-CURRENT ASSETS			
1	(a) Property, Plant and Equipment	5909.61	2,706.37	3123.59
	(b) Captial work-in-progress			
	(c) Intangible assets	1.81	3.02	5.04
	(d) Intangible assets under development			
	(e) Financial Assets			
	(i) Investments	-	5.20	5.2
	(ii) Loans	313.35	320.68	298.56
	(iii) Others			
	(f) Other non-current assets	778.03	778.03	778.03
	Non-Current Assets	7002.8	3813.3	4,210.42
2	CURRENT ASSETS			
	(a) Inventories	256.21	182.82	254.32
	(b) Financial Assets			
	(i) Investments			
	(ii) Trade receivables	496.21	235.72	290.85
	(iii) Cash and cash equilants	61.03	121.22	158.5
	(iv) Other Bank Balances			
	(v) Loans	273.08	375.84	378.27
	(vi) Other			
	(c) Other current assets	-	0.50	0.50
	Current Assets	1086.53	916.10	1,082.44
	TOTAL ASSETS	8,089.33	4,729.40	5,292.86
B	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital	955.54	955.54	955.54
	(b) Other Equity	238.28	(2,671.05)	(2,101.10)
	Equity	1,193.82	(1,715.51)	(1,145.56)
	LIABILITIES			
1	NON-CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Borrowings	1189.32	285.23	1493.03
	(ii) Other Financial liabilities			
	(b) Provisions	144.99	157.88	175.73
	(c) Deferred tax Liabilities (Net)			
	(d) Other non-current liabilities	420.82	924.73	1054.38
	Non Current Liabilities	1755.13	1367.84	2,723.14
2	CURRENT LIABILITIES			
	(a) Financial Liabilities			
	(i) Loans from Banks	7.15	855.14	38.34
	(ii) Trade payables	1285.25	443.54	732.35
	(iii) Other Financial liabilities	3847.98	3778.39	2944.59
	(b) Other Current liabilities			
	(c) Provisions			
	(d) Current Tax Liabilities (Net)			
	Current Liabilities	5140.38	5077.07	3715.28
	TOTAL EQUITY AND LIABILITIES	8089.33	4729.40	5292.86



Segment-wise Revenue, Results, Assets and Liabilities for the Year ended 31st March 2018							(Rs.in lakhs)
Sl. No.	PARTICULARS	Quarter Ended			Twelve Months Ended		
		31.03.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2017 (Unaudited)	31.03.2018 (Audited)	31.03.2017 (Audited)	
1	Segment Revenue (Net Sales/Income from Operations)						
	a. Fertilizer	416.89	755.40	460.01	1,444.82	3,191.25	
	b. Rental from Property	66.36	46.71	53.18	205.44	189.78	
	Total	483.25	802.11	513.19	1,650.26	3,381.03	
	Less: Inter Segment revenue						
	Net Sales / Income from Operations	483.25	802.11	513.19	1,650.26	3,381.03	
2	Segment Results (Profit before Tax and Interest)						
	a. Fertilizer	178.93	(100.95)	(76.66)	(247.44)	-373.53	
	b. Rental from Property	62.65	44.15	49.94	196.00	179.95	
	Total	241.58	(56.80)	(26.72)	(51.44)	-193.58	
	Less:						
	(i) Unallocated Interest and finance charges	0.18	-	248.19	6.53	317.15	
	(ii) Other unallocable expenditure net of unallocable Income	146.55	20.87	58.68	195.49	59.21	
	Profit before tax	94.85	(77.67)	(333.59)	(253.46)	(569.94)	
3	Segment Assets						
	a. Fertilizer	889.36	877.74	612.16	1,050.43	755.35	
	b. Rental from Property	64.55	50.66	9.20	64.55	9.20	
	Unallocated	7,135.42	7,133.42	4,108.04	6,974.35	3,964.85	
	Total	8,089.33	8,061.82	4,729.40	8,089.33	4,729.40	
4	Segment Liability						
	a. Fertilizer	1,822.00	1,039.14	1,678.00	1,822.00	1,037.29	
	b. Lease Rent on property and others	137.52	137.52	137.52	137.52	137.52	
	Unallocated	6,129.81	6,885.16	2,913.88	6,129.81	3,554.59	
	Total	8,089.33	8,061.82	4,729.40	8,089.33	4,729.40	



Note:

1. The above audited financial results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 30.05.2018.
2. The Company has two reportable segment of manufacture, sale and Trade of Fertilizers and Fertilizers Mixtures and Rental from Commercial Property.
3. The Company has adopted Indian Accounting Standards (IND AS) which is applicable to the Company effective April 1, 2017, pursuant to which the re-allocation of the value of the land and building has been made based on a comprehensive valuation carried out by an approved valuer to arrive at the deemed cost of land and building and depreciation are worked accordingly. This has resulted in lesser charge for depreciation of building as compared to earlier years.
4. Exceptional items comprise of—
 - a. Unrecoverable old loans and advances and deposits including electricity deposit relating to earlier years is Rs.200.47 lakhs.
 - b. Old unclaimed trade payables and other sundry credit balances is Rs.89.62 lakhs.
5. The company has accepted its liability of Rs.3.45 crores to HDFC Bank which has charge on the property of the company. The High Court had determined a sum of Rs.7.09 crores as amount payable by the company to HDFC Bank which has not been accepted by the Bank and the matter is under reference before the Supreme Court of India which is contested by the company. Pending adjudication, the potential liability is presently not quantifiable and hence not provided for in the accounts.
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 Writ Petition filed before Madras High Court and the matter is pending adjudication.
7. Trade Receivables include Rs.59.40 lakhs from erstwhile dealers in Andhra Pradesh and Karnataka, where the company has temporarily suspended trading operations. The company is reasonably confident of recovering all the above dues in the near future when the company's operation in the two states are resumed.

In view of the above point No.5,6 and 7, the Statutory Auditors have drawn attention in the above matters without qualifying their audit report.

8 (a) The Reconciliation of net profit/((loss) reported under previous GAAP for the quarter and financial year ended 31st March 2017 are as under:

Particulars	Quarter ended March 31,2017	Year ended March 31,2017
Profit / (Loss) for the period under previous GAAP	(333.59)	(569.94)
Add/(Less) :- IND AS adjustments	-	-
Net Profit /(Loss) for the period as per IND AS	(333.59)	(569.94)
Other Comprehensive Income (net of tax)	-	-
Total Comprehensive Income	(333.59)	(569.94)

(b) Reconciliation if equity as reported under previous GAAP is summarised as follows:

Particulars	As at 31st March 2017 (End of last period presented under previous GAAP)	As at 1st April 2016 (Date of transition)
Equity as reported under previous GAAP attributable to KICL Limited	(1,715.51)	(1,145.56)
Adjustments:	-	-
Equity as reported under Ind AS attributable to KICL Limited	(1,715.51)	(1,145.56)

9. The figures of the previous year have been readjusted/reclassified be in conformity with Ind AS to make them comparable
10. The financial results are available on the website of BSE Limited and on the company's website www.kotharis.in

Place: Chennai 600034
Date : 30.05.2018



For Kothari Industrial Corporation Limited


Pradip D Kothari
Chairman



Arockiasamy & Raj

Chartered Accountants

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Auditor's Report On Financial Results and Year to Date Results of the Company

Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

Board of Directors of Kothari Industrial Corporation Limited.

We have audited the financial results of Kothari Industrial Corporation Ltd for the year ended 31st March 2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These financial results are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such consolidated interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Financial Reporting, mandated under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder (Ind AS) and other accounting principles generally accepted in India. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these financial results as well as the year to date results:

- (i) have been presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give true and fair view in conformity with the aforesaid India Accounting Standards and other accounting principles generally accepted in India of the net loss and Total Comprehensive income and other financial information for the year to date results for the year ending 31st March 2018.

Without modifying our opinion on the financial results, we bring attention to the following facts:

1. ***For the restated HDFC loan of Rs 3.45 crores, no provision of interest and other charges haave been made pending decision of the Supreme Court of India. (Refer Note No 5)***





Arockiasamy & Raj

Chartered Accountants

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2. No provision has been created in the books against loss that may arise due to the claim raised by the Government against the Coonoor property. (Refer Note No 6)
3. No provision has been made against the sundry debtors of Rs 59.40 lacs relating to the sales discontinued areas. (Refer Note No 7)

Place: Chennai
Date: 30- May-2018



**FOR AROCKIASAMY & RAJ
CHARTERED ACCOUNTANTS**


A. NAGARAJAN
PARTNER
M.No: 20680

KOTHARI INDUSTRIAL CORPORATION LIMITED

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DECLARATION

[Pursuant to Regulation 33(3)(d) of SEBI (Listing obligations & Disclosures Requirements) Regulation, 2015]

This declaration is furnished pursuant to second proviso to Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is declared that the Auditor has expressed an unmodified opinion(s) on the audited standalone financial results of the Company for the quarter and year ended 31st March, 2018.

For Kothari Industrial Corporation Limited

A handwritten signature in blue ink, appearing to read 'V. Singaravel', is written above the printed name.

V.Singaravel
Chief Financial Officer

