



54th Annual Report
2023-2024



BOARD OF DIRECTORS

Mr. Pradip D. Kothari	DIN (01315682)	Chairman
Mr. J. Rafiq Ahmed	DIN (02861341)	Vice Chairman & Managing Director
Mr. Dilip Machado	DIN (06895289)	Independent Director
Mr. D.Gunasekaran	DIN (07326495)	Independent Director
Mrs. T.A. Rajalaxmi	DIN (08148628)	Non-Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Anil Kumar Padhiali

CHIEF FINANCIAL OFFICER

Mr. V. Singaravel (Resigned w.e.f. 20.10.2022)
Mr. N. Balajee (appointed w.e.f. 01.12.2022 and Resigned w.e.f. 24.04.2023)
Mr. Vijayaraghavan (appointed w.e.f. 25.05.2023 and Resigned w.e.f. 06.02.2024)
Mr. Hari Kishore (appointed w.e.f. 14.02.2024)

STATUTORY AUDITORS

M/s. Ray & Ray
Chartered Accountants

INTERNAL AUDITORS

M/s. N. Ganesan & Co.,
Chartered Accountants
Lake View Building, 2nd Floor,
TNSC Bank upstairs,
New No.177/3, Old No.136
Valluvarkottam High Road,
Nungambakkam,
Chennai - 600 034.

SECRETARIAL AUDITOR

Santosh Senapati & Co.,
Practicing Company Secretary

EXECUTIVE TEAM:

Mr. P. Karthikeyan
Executive Vice President
Mr. A. Sahabudeen
Vice President

REGISTERED OFFICE:

“Kothari Buildings”
114, Mahathma Gandhi Salai,
Chennai – 600 034.
Tel.No.+91 044-28334565
CIN No. L74110TN1970PLC005865
Email: enquiries@kotharis.in
Website: www.kotharis.in

REGISTRARS:

M/s. Integrated Registry Management Services Private Limited
2nd Floor, “Kences Towers”,
1, Ramakrishna Street, off North Usman Road,
T. Nagar, Chennai 600 017.

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KOTHARI INDUSTRIAL CORPORATION LIMITED

CIN No. L74110TN1970PLC005865

Regd. Office : "Kothari Buildings", 114, Mahathma Gandhi Salai, Nungambakkam, Chennai 600 034

Email: enquiries@kotharis.in | Website: www.kotharis.in | Tel.No.+91 044-28334565

NOTICE TO MEMBERS

NOTICE is hereby given that the **54th** Annual General Meeting of the Company will be held at **11.00 a.m. on Monday, 30th September, 2024** through video conferencing / Other Audio-Visual Means ("VC/OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt:
 - a) The Audited Standalone Financial Statements of the Company for the financial Year ended 31st March, 2024 and the Reports of Board of Directors and Auditors thereon.
 - b) The Audited Consolidated Financial Statements of the Company for the financial Year ended 31st March, 2024 and the Report of Auditors thereon.
2. To appoint a Director in the place of Mr. Pradip D Kothari (DIN: 01315682), who retires by rotation and being eligible offers herself for re-appointment.

By Order of the Board of Directors

For KOTHARI INDUSTRIAL CORPORATION LIMITED

PRADIP D KOTHARI
CHAIRMAN

DIN : 01315682

Place : Chennai

Date : 14.08.2024

Important Notes:-

1. The Ministry of Corporate Affairs vide its Circular No. 09/2023 dated September 25, 2023 read with circular No.10/2022 dated December 28, 2022 read with Circular No. 02/2022 dated May 05, 2022 read with Circular No. 21/2021 dated December 14, 2021 read with Circular No.02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020, Circular No. 14/2020 dated April 8, 2020 read with Circular No. 17/2020 dated April 13, 2020 allows conducting of Annual General Meeting of the Company through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the
- AGM through VC / OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Central Depository Services (India) Limited (CDSL) will be providing facility for voting through remote e-Voting, for participation in the AGM through VC / OAVM Facility and e-Voting during the AGM.
3. Members may join the 54th AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 10.45 a.m. IST i.e., 15 minutes before the time scheduled to start the 54th AGM and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 54th AGM.
4. Members may note that the VC/OAVM Facility, provided by CDSL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee and Auditors can attend the AGM without any restriction on account of the first-come first-served principle.
5. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the notice of the AGM along with the Annual Report 2023-2024 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-2024 will also be available on the Company's website www.kicl.in , websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com, and on the website of CDSL at www.evotingindia.com. The member holding shares in physical form and who have not registered their email id may register their email id by sending a signed request letter mentioning name, folio number, complete address, self-attested copy of PAN, self-attested copy of Driving Licence/ Passport/Bank Statement/Aadhar, supporting the

- registered address of the member, copy of the share certificate (front & back) and the email id to be registered to yuvraj@integratedindia.in. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
6. In terms of the MCA and SEBI Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, Members will not be entitled to appoint Proxy(ies) to attend and vote. However, in pursuance of section 112 and section 113 of the Companies Act, 2013, representatives of the members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the meeting held through VC.
 7. The Register of the Members and Share Transfer Books of the Company shall remain closed from 24.09.2024 to 30.09.2024 (Both days inclusive) for the purpose of Annual General Meeting.
 8. Attendance of members through VC shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
 9. 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.
 10. Securities and Exchange Board of India (“SEBI”) has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company/RTA has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.
 11. Members holding shares in physical form are requested to register their email id for receiving an electronic copy of the Annual Report and also notify immediately any change in their address/E-mail address to the Company/its Share Transfer Agents.
 12. Members holding shares in electronic form are requested to advise change of address/E-mail address to their Depository Participants. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, are used by the Company for the payment of dividends in future if any. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
 13. Corporate members intending to make their authorised representatives to attend the Meeting through VC are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting held through VC.
 14. The Notice of the Annual General Meeting and the Annual Report will be available on the Company’s website www.kotharis.in. The members who wish to inspect any of the relevant documents referred to in the accompanying notice may send the request to the email id of the Company i.e. companysecretary@kotharis.in. till 5.00 pm, 29th September, 2024 and Company will provide such documents through email.
 15. Pursuant to Section 72 of the Companies Act, 2013 and the Rules made there under the Members holding shares in single name may, at any time, nominate in form SH-13, any person as his/her nominee to whom the securities shall vest in the event of his/ her death. Nomination would help the nominees to get the shares transmitted in their favor without any hassles. Members desirous of making any cancellation/ variation in the said nomination can do so in form SH-14. The nomination forms can be downloaded from the Company’s website www.kicl.in.

Kothari Industrial Corporation Limited

16. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Company's Share Transfer Agents by sending a duly signed letter along with a self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member printed on it. In alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

17. The instructions to shareholders for remote e-voting and e-voting during AGM and joining meeting through VC/OAVM are as under:

- (i) The voting period begins on **27th September 2024 at 09.00 a.m. and ends on 29th September 2024 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 of **23rd September 2024** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.

	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com / either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

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

(ii) Click on Shareholders.

(iii) 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.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first-time user follow the steps given below:
- (vii)

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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/ RTA/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name of the CAPITAL letters. Example, if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. (Sl. No. mentioned in your address label can be used as Sequence No. for this purpose)
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> 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. 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.

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(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 Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; nganesanassociates@yahoo.com & enquiries@kotharis.in, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

18. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **03 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at companysecretary@kotharis.in. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **03 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at companysecretary@kotharis.in. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

19. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. **For Physical shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to company/rta email id viz:companysecretary@kotharis.in/yuvraj@integratedindia.in
2. **For demat shareholders** - Please update your email id & mobile no. with your respective depository Participant (dP).
3. **For individual demat shareholders** - Please update your email id & mobile no. with your respective depository Participant (dP) which is mandatory while e-Voting & joining virtual meetings through depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

General:

- a) After dispatch of the notice, any person who acquires shares of the Company and becomes member of the Company as on the cut-off date i.e., Monday, **23rd September 2024** may obtain the login ID and password by sending an email to yuvraj@integratedindia.in or

companysecretary@kotharis.in or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with CDSL for remote e-voting, then you can use your existing user ID and password for casting your vote.

- b) The voting rights of a member shall be in proportion to his shares in the paid-up equity share capital of the Company as on the cut-off date of i.e., Monday, **23rd September 2024**.
- c) M/s. N. Ganesan & Co, Practicing Chartered Accountant (Membership Number:023700) has been appointed as the Scrutinizer to scrutinize e-voting in a fair and transparent manner.
- d) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 2 working days from the conclusion of the AGM to the Chairman of the Annual General Meeting. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kotharis.in and website of CDSL <http://www.evotingindia.com> and also forward the same to Bombay Stock Exchange Limited, Mumbai simultaneously, where the Company's shares are listed.
- e) The profile of Director seeking reappointment forms an integral part of the Notice. The Director have furnished the requisite consent and declarations.
- f) Since the AGM shall be conducted through VC / OAVM, the route map, Proxy Form and Attendance Slip are not annexed to this Notice.

By Order of the Board of Directors
For KOTHARI INDUSTRIAL CORPORATION LIMITED

Place : Chennai
Date : 14.08.2024

PRADIP D KOTHARI
CHAIRMAN
DIN : 01315682

Kothari Industrial Corporation Limited

ANNEXURE TO THE NOTICE

Particulars of the Director seeking Reappointment/Appointment in the forthcoming Annual General Meeting pursuant to Reg. 36(3) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Secretarial Standard -2 (SS-2) issued by the Institute of Company Secretaries of India.

I.

Name of the Director	Mr. Pradip D Kothari
Date of Birth	08.12.1947
Age	77
Date of Appointment	28.04.1972
Qualification	B.A
Expertise	Industrialist
Directorships in other companies	Kothari Marine International Limited
Membership / Chairman in other companies	Nil
Committee Membership	Member Audit Committee
Shareholding in Kothari Industrial Corporation Limited	1366288
Relationship with Other Directors, Manager and others Key Managerial Personnel of the Company.	Nil
Number of meetings attended during the year	Please refer Boards Report

BOARD'S REPORT

Dear Members,

Your Directors hereby present their 54th Annual Report on the business and operations together with the Audited Accounts of the Company for the year ended March 31, 2024.

SUMMARY OF FINANCIAL RESULTS:

	Rs. in Lakhs	
Particulars	2023-24	2022-2023
Total Revenue	2714.12	1031.86
Total Expenses	3648.82	2777.98
(Profit/Loss) before Depreciation, Interest, Exceptional Item and Tax	(1230.49)	(600.99)
Depreciation	24.88	11.26
Interest	270.92	1134.61
Profit/(Loss) before Exceptional Item and Tax	(934.69)	(1746.86)
Exceptional Items(net)	4967.16	(230.00)
Profit/(Loss) before Tax	4032.47	(1976.86)
Tax Expenses	863.14	-
Profit/(Loss)for the year	3169.33	(1976.86)
Other Comprehensive Income	109.96	(14)
Total Comprehensive Income	3279.29	(1990.86)
Earnings per share	26.27	(10.34)

DIVIDEND

The Board of directors of the company has not recommended any dividend for the year ended 31st March, 2024.

PERFORMANCE

The performance of the company during the year under review is satisfactory and promising. The Board of directors will thrive to improve the performance during the current year. In addition, during the year the company has diversified into various businesses such as Drones, Restaurants and footwear.

A detailed note on performance is furnished in the management discussion and analysis report.

CHANGE IN NATURE OF BUSINESS IF ANY:

During the year under review Company has started to do business in Footwears. The company has entered into various agreements with branded footwears company.

PROSPECTS

Due to diversification to other businesses, it is expected that the company will register better performance during the coming year.

SHARE CAPITAL:

Share Capital	31.03.2024	31.03.2023
	(Amount in INR)	
a) Authorized Share Capital 5,00,00,000 Equity Shares of Rs.5/- each	25,00,00,000	25,00,00,000
b) Issued, Subscribed and fully Paid-up Share Capital	6,24,19,425	9,55,54,425

The company has not issued any shares during the year under review.

REDUCTION OF SHARE CAPITAL

Your Board of Directors at their meeting held on 31.10.2020, approved a Scheme of Reduction of share capital (the Scheme), to extinguish / cancel 66,27,000

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equity shares of the Company held by Promoters group of the Company, as detailed in the Scheme which is posted on the Company's website. The Scheme was approved by the shareholders through a special resolution vide postal ballot dated June 30, 2021, and was taken on record by the stock exchanges (BSE – designated stock exchange for this purpose).

The Company had filed the application/scheme for reduction of capital before the NCLT, Chennai. NCLT, Chennai has approved the scheme of reduction of capital via an order dated 10.05.2023. The company had filed e-form INC-28 with the Registrar of Companies, Chennai on 30.05.2023, upon which the scheme has become effective. The issue subscribed and paid-up capital of the Company stands reduced from 1,91,10,885 equity shares of ₹5/- each aggregating to ₹9,55,54,425 to 1,24,83,885 equity shares of ₹5/- each aggregating to ₹6,24,19,425.

TRANSFER TO RESERVES

Your company has not transferred any amount to the reserves for the year ended 31st March, 2024 in the absence of profit.

MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE:

In terms of provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, (hereinafter referred to as Listing Regulations) the Management Discussion and Analysis Report is appended as **Annexure I** to this report.

B) Details with regards to meeting of Board of Directors during the year of the Company

(i) Composition of the Board of Directors as on the date of this Report is mentioned below:

Name of the Director	Designation	Category
Mr. Pradip D Kothari	Director/Chairman	Non-executive Non-Independent Director
Mr. J Rafiq Ahmed	Vice Chairman & Managing Director	Executive Director
Mr. D Gunasekaran	Director	Independent Director
Mr. Dilip Machadoo	Director	Independent Director
Ms.Thoopjlamudu Arulpathy Rajalaxmi	Director	Non-executive Non-Independent Director

PARTICULARS OF EMPLOYEES:

The details of remuneration of Directors and Employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure II** to this report.

A statement showing the remuneration of employees who were in receipt of remuneration as prescribed under Rule 5(2) & Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this report and will be provided to any member on a written request to the Company Secretary.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A) Change in Board Constitution and KMP

- i) Mr. Pradip D Kothari, Director, will retire at the forthcoming Annual General Meeting. He is eligible for re-election and offers himself accordingly, subject to the approval of the members at the ensuing Annual general meeting of the company.
- ii) During the year, Mr. N Balajee resigned from the post of Chief financial officer on 24.04.2023. During the year, Mr. Vijayaraghvan was appointed as a Chief financial officer of the Company on 25.05.2023 and resigned on 06.02.2024. Mr. Hari Kishore Arikati was appointed as a Chief financial officer of the Company as on 14.02.2024.

(ii) Board meeting:

The Board of Directors met 05 times during the financial year ended 31st March, 2024 in accordance with the provisions of the Companies Act, 2013 and rules made there under.

During the FY 2023 - 2024, 05 meetings of the Board of Directors of the Company were held i.e., on 25.05.2023, 05.08.2023, 31.08.2023, 14.11.2023, and 14.02.2024. The gap between two meetings did not exceed 120 days. The attendance of the members at the Board of Directors meetings was as follows:

Name of Director	No. of Board Meetings attended
Mr. Pradip D Kothari	04
Mr. J Rafiq Ahmed	05
Mr. D Gunasekaran	05
Mr. DilipMachado	05
Ms. Thoopjlamudu Arulpathy Rajalaxmi	05

(C) Policy on Directors' Appointment and Remuneration:

The Policy of the Company on Director's Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of director and other matters provided under Section 178(3) of the Companies Act, 2013, adopted by the Board, is posted on the website of the Company www.kotharis.in. We affirm that the Remuneration paid to the director is as per the terms laid out in the said policy.

(D) Declaration by Independent Directors:

The Company has received necessary declarations from each Independent Director(s) under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

(E) Familiarization Programme For Independent Directors:

A policy on familiarization program for Independent Directors has also been adopted by the Company and is put up on the website of the company www.kotharis.in. All new Independent Directors (IDs) included in the Board are presented with an overview of the Company's business operations, products, organization structures and about the Board Constitutions and its procedures.

(F) Separate Meeting of Independent Directors:

The Independent Directors of the Company had met during the year on 30th March 2024 to review the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and also assessed the quality, quantity and timeliness of flow of information between the company management and the Board without the presence of the Non-Independent Directors and members of the Management.

(G) KEY MANAGERIAL PERSONNEL:

The following are Key Managerial Personnel:

Mr. J Rafiq Ahmed, Managing Director

Mr. Anil Kumar Padhiali, Company Secretary cum Compliance officer

Mr. N Balajee, Chief Financial Officer (appointed on 01.12.2022 and Resigned on 24.04.2023)

Mr. Vijayaraghavan, Chief Financial Officer (appointed on 25.05.2023 and resigned on 06.02.2024)

Mr. Hari Kishore Arikati was appointed as a Chief financial officer of the Company as on 14.02.2024

COMPOSITION OF BOARD'S COMMITTEES:

Currently, the Board has three Committees: The Audit Committee, the Nomination and Remuneration Committee, and the Stakeholder's Relationship Committee. All Committees are appropriately constituted.

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1) Audit Committee:

(a) Terms of Reference:

The powers, role and terms of reference of the Audit Committee covers the area as mentioned under Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, besides other terms as may be referred by the Board of Directors. The powers, role and terms of reference of the Audit Committee include inter alia oversight of Company's financial reporting process, internal financial controls, reviewing the adequacy of the internal audit function, reviewing with management the quarterly/ annual financial statements before submission to the Board, recommending the appointment of statutory auditors and fixation of their remuneration, approval of related party transactions, evaluation of risk management systems etc.

(b) Composition, name of members and chairperson:

The Audit Committee Comprises 3 members, which includes one Non-executive Director and two Non-Executive Independent Directors. The members of the Committee are as follows:

Mr. Dilip Machado	Chairman	Non-executive Independent director
Mr. Pradip D Kothari	Member	Non-Independent Non-Executive Director
Mr. D Gunasekaran	Member	Non-executive Independent director

(c) Meetings and attendance during the year:

During the financial year under review, Audit Committee Meetings were held 5 times in a year viz., on 25.05.2023, 05.08.2023, 31.08.2023, 14.11.2023 and 14.02.2024 and the attendance of the members at the Audit Committee meetings was as follows:

Name of the Members	Attendance particulars	
	Meeting Held During the year	Meeting Attended During the year
Mr. Dilip Machado	5	5
Mr. Pradip D Kothari	5	4
Mr. D Gunasekaran	5	5

2) Nomination and Remuneration Committee:

(a) Terms of Reference:

The terms of reference of the Committee include the following namely formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remuneration of the directors, key managerial personnel and other employees; formulation of criteria for evaluation of Directors performance, devising a policy on Board diversity, identify persons who are qualified to become directors and who may be appointed in senior management positions in accordance with the criteria laid down, and recommend to Board their appointment and removal.

(b) Composition, name of members and chairperson:

The Committee Comprises 3 members, which includes three Non-Executive Directors. The members of the Committee are as follows:

Mr. Dilip Machado	Chairman	Non-Executive Independent director
Mr. D Gunasekaran	Member	Non-Executive Independent director
Ms.Thoopjlamudu Arulpathy Rajalaxmi	Member	Non-Executive Non-Independent director

(c) Meetings and attendance during the year:

During the financial year under review, Nomination and Remuneration Committee Meetings was held 2 times in a year viz 25.05.2023 and 14.02.2024 viz., the attendance of the members at the Nomination and Remuneration Committee meeting was as follows:

Name of the Members	Attendance particulars	
	Meeting Held During the year	Meeting Attended During the year
Mr. Dilip Machado	2	2
Mr. D Gunasekaran	2	2
Ms.Thoopjlamudu Arulpathy Rajalaxmi	2	2

(d) Performance evaluation criteria for independent directors:

The criteria for evaluation of the Independent Directors will be attendance, participation in deliberations, understanding the Company's business and that of the industry and in guiding the Company in decisions affecting the business and additionally based on the roles and responsibilities as specified in Schedule IV of the Companies Act, 2013. A formal evaluation mechanism has been adopted for evaluating the performance of the Board, Committees thereof, individual Directors and the chairman of the Board:

3) Stakeholders Relationship Committee:

(a) Terms of Reference:

The Committee looks into redressal of grievances of the investors namely shareholders. The Committee deals with grievances pertaining to transfer of shares, non-receipt of annual report, non-receipt of dividend, dematerialisation / dematerialisation of shares, non-receipt of dividend warrants, transfer/transmission/split of shares etc. The Board of Directors have delegated the power of approving transfer/transmission of shares to a Share Transfer Committee.

(b) Composition, name of members and chairperson:

The Committee Comprises 3 members, which includes three non-executive Directors. The members of the Committee are as follows:

Mr. D Gunasekaran	Chairman	Non-Executive Independent director
Mr. Dilip Machado	Member	Non-Executive Independent director
Ms.Thoopjlamudu Arulpathy Rajalaxmi	Member	Non-Executive Non-Independent director

During the financial year under review, Stakeholder Relationship Committee Meetings were held 32 times in a year viz. 07-04-2023, 13-04-2023, 28-04-2023, 10-05-2023, 26-05-2023, 02-06-2023, 09-06-2023, 16-06-2023, 27-06-2023, 05-07-2023, 21-07-2023, 31-07-2023, 07-08-2023, 18-08-2023, 25-08-2023, 01-09-2023, 08-09-2023, 22-09-2023, 29-09-2023, 06-10-2023, 13-10-2023, 20-10-2023, 14-11-2023, 24-11-2023, 01-12-2023, 18-12-2023, 02-01-2024, 10-01-2024, 24-01-2024, 09-02-2024, 16-02-2024 and 29-02-2024 and the attendance of the members at the Stakeholder Relationship Committee meeting was as follows:

Name of the Members	Attendance particulars	
	Meeting Held During the year	Meeting Attended During the year
Mr. Dilip Machado	32	32
Mr. D Gunasekaran	32	32
Ms.Thoopjlamudu Arulpathy Rajalaxmi	32	32

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BOARD EVALUATION:

Annual evaluation of the performance of the Board, its Committees and of individual directors has been made, pursuant to the section 134(3) of the Companies Act, 2013.

The Nomination and Remuneration Committee (“NRC”) reviewed the annual performance of the individual Directors.

In a separate meeting of Independent Directors, performance of non-Independent Directors, performance of the Board as a whole was evaluated.

VIGIL MECHANISM:

The Company has established a mechanism for Director’s and employees to report their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company. The Whistle Blower Policy is in place. Employees can report to the Management concerned unethical behaviour, act or suspected fraud or violation of the Company’s Code of Conduct Policy. No Employee has been denied access to the Audit Committee. The Vigil Mechanism policy of the company is available on our website www.kotharis.in.

CORPORATE SOCIAL RESPONSIBILITY:

As per the provision of Section 135 of the Companies Act, 2013, all companies having a net worth of Rs.500 crore or more, or a turnover of Rs.1,000 crore or more or a net profit of Rs.5 crore or more during any financial year are required to constitute a CSR committee and hence our Company do not meet the

criteria as mentioned above, hence the Company has not constituted any Corporate Social Responsibility Committee and the provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013:

The Company has in place a Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013. All the employees (permanent, Contractual, temporary, Trainees) are covered under this policy. Company has constituted the internal complaint committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. During the year under review, no complaints were received falling under the category of Sexual Harassment of Women.

SECRETARIAL AUDITOR:

Pursuant to provisions of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company engaged the services of M/s. Santosh Senapati &Co, Company Secretary in practice, Chennai to conduct the Secretarial Audit of the Company for the 12 months period ended on 31st March, 2024. The Secretarial Audit Report (in Form MR-3) is attached as **Annexure-III** to this Report. Comments of the Board on the qualification/reservation/adverse remarks/disclosure made:

Observations by Secretarial Auditor	Management Reply
1) The total promoter and Promoter group shareholding is not fully Dematerialized as per Regulations 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).	The company was suspended since 2000, due to suspension, some of the Promoter and Promoter group did not dematerialize their shares. Now the Company’s shares are trading in the market and the date of revocation is 28.03.2024. The Board of Directors has informed the promoter and promoter group except M/s. Saloman Investment Limited to dematerialize their shares. M/s. Saloman Investment Limited is a defunct company. Date of defunct is 24.02.2007. Except M/s. Saloman Investment Limited, remaining Promoter and Promoter group will convert their physical shares to demat.

STATUTORY AUDITORS & AUDITORS REPORT:

The Board of Directors of the Company, in their meeting held on 31st August, 2023, recommended the appointment of M/s. RAY & RAY., Chartered Accountants, Chennai (FRN:301072E) as statutory auditors of the Company to hold office from the conclusion of the 53rd AGM till the conclusion of the Annual General Meeting to be held in the year 2028. At the 53rd Annual General Meeting of the company held on 30th September 2023, M/s. RAY & RAY., Chartered Accountants were appointed as Statutory Auditors of the company to hold office till the conclusion of the Annual General Meeting to be held in the year 2028.

The Independent Auditors' Report on the accounts for the financial year ended 31st March 2024 contain qualification remarks.

Comments of the Board on the qualification/reservation/adverse remarks/disclosure made:

Observations by Secretarial Auditor	Management Reply
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.	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.
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.	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.
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.	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.

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<p>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.</p>	<p>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.</p>
<p>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.</p>	<p>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.</p>
<p>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.</p>	<p>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 for adjudication.</p>

During the year under review, the statutory auditors have not reported to the Audit Committee under section 143(12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board Report.

COST AUDITOR:

Pursuant to notification of Companies (Cost Records and Audit) Rules, 2014 read with Companies (Cost Records and Audit) Amendment rules, 2014 the Company does not fall under the purview of Cost Audit.

LOAN FROM MANAGING DIRECTOR:

During the year, the company received a loan from the Managing Director. The loan details are mentioned in the financial statements.

PARTICULARS ON CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

(a) Energy Conservation:

- (i) The steps taken or impact on conservation of energy- The company has taken efforts to conserve and optimize the use of energy in the office.
- (ii) The steps taken by the company for utilizing alternate sources of energy-NA.

iii) The capital investment on energy conservation equipments- NA.

(b) Technology absorption:

(i) The efforts made towards technology absorption;

The KOTHARI INDUSTRIAL CORPORATION LIMITED (KICL) has acquired a 10-year-old Surveying, Aerial Data Processing, Geo Spatial Company called 'Geo Adithya Technologies' and 'Geo Aadithya International' on 01 Jun 2022, by way of Slump Sale agreements to extend its services in the field of Surveying, Aerial Data Processing and Geo Spatial verticals.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

KICL has made a purchase of Geospatial software, Data Processing Hardware, Drones and Drone related software for providing Drone related services and for executing Drone Projects.

KICL has been Empaneled for "Tamil Nadu Unmanned Aerial Vehicle Corporation", Tamil Nadu Department of Geology and Mining and been qualified for providing Geospatial Survey and Drone Related Services.

After acquiring, KICL has participated in Drone Tenders and won the Adyar Drone Unit tender by Greater Chennai Police and has successfully delivered the Project.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the year under reference) –

- a) details of the technology imported;- NA
- b) the year of import;- NA
- c) whether the technology has been fully absorbed and if not, areas where absorption has not taken place, and the reasons thereof;- NA

(iv) the expenditure incurred on Research and Development- The disclosure pertaining to Research and Development & Technology Absorption is not applicable to your Company.

(c) Foreign Exchange Earnings and Outgo:

Particulars	FY 2022-23
Foreign Exchange Earnings	Rs. 111444.00
a) Providing land survey service for GCP collection using DGPS	
Foreign Exchange Outgo	Rs. 2744035.80
a) Advance for buying Drone software	
b) Wood Purchase	Rs. 1685749.00

Particulars	FY 2023-24
Foreign Exchange Earnings	Rs. 5045596
a) Service	
Foreign Exchange Outgo	Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that: -

- a) In the preparation of the Accounts for the Financial Year ended 31st March 2023 the applicable accounting standards and schedule III of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force), have been followed along with the proper explanation relating to material departure;
- 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 Profit of the Company for that period.
- c) To the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) They have prepared the annual accounts on a going concern basis. The auditors have expressed an emphasis of matter on Going Concern in their Audit.
- e) The Directors have laid down internal financial

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controls to be followed by the Company and that such internal financial controls though adequate are being strengthened on an ongoing basis quite effective to operate effectively; and

- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

SUBSIDIARIES, ASSOCIATES, AND JOINT VENTURES:

Kothari Marine International Limited is an unlisted subsidiary of the Company. The Company is holding 99.99 percent shares of that Company and does not have any Associate Company nor does it have Joint Venture with any entity. Consolidated Financial statements are applicable to your Company. The policy for determining the material subsidiaries is available in our website at www.kotharis.in.

CONSOLIDATION FINANCIAL STATEMENTS:

The Audited Consolidated financial statements of the company for the Financial Year ended 31st March 2024 together with the report of the Independent Auditors form part of the Annual Report.

Pursuant to first proviso to subsection (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rule, 2014 a statement containing salient features of financial statements of subsidiary is annexed as **Annexure IV**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not invested or given any loan or guarantee or in terms of Section 186 of the Companies Act, 2013, during the financial year 2023-24. The details of Investment made by the company mentioned in the financial statements.

RISK MANAGEMENT

The Company has implemented a risk management policy including identification therein of elements of risk, if any, which in the opinion of the Board is adequate.

EXTRACT OF ANNUAL RETURN:

In accordance with Section 92(3) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended), a copy of the Annual Return of the Company shall be placed on the Website of the Company at www.kotharis.in.

RELATED PARTY TRANSACTIONS:

All Related Party Transactions entered into by your Company had prior approval of the Audit Committee and the Board of Directors, as required under the Listing Regulations and the Companies Act 2013. Subsequently, the Audit Committee and the Board have also reviewed the Related Party Transactions on a quarterly basis. Since all Related Party Transactions entered into by your Company were in the ordinary course of business and also on an arm's length basis, accordingly the particulars of the transactions as prescribed in Form AOC - 2 is annexed as **Annexure-V**.

CORPORATE GOVERNANCE:

Your Company shall not be mandatorily required to submit Corporate Governance Report as the equity share capital and net worth of the Company is less than required limits as on the last date of the previous financial year. Provided that where the provision of the Act becomes applicable to the Company at a later date, the Company shall comply with the requirements within six months from the date on which the provisions become applicable to the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

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 has a well-placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. This has been endorsed by statutory auditors in their separate report which is annexed.

CODE OF CONDUCT:

As prescribed under the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV thereto and Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for its Board of Directors and senior management and employees, the Company has formulated a comprehensive Code of Conduct (the Code). The Code is applicable to Directors and senior management and employees to such extent as may be applicable to them depending upon their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Integrity, one team and Excellence. A copy of the Code has been uploaded on the Company's website www.kicl.in. The Code has been circulated to all the Directors and Management Personnel and its compliance is affirmed by them annually. A declaration signed by the Company's Managing Director for the compliance of this requirement is published in this Report.

INTERNAL AUDITOR:

M/s.N.Ganesan & Co, Chartered Accountants as the Internal Auditor of the Company have carried out effective internal audit of the operations and accounts of the company during the year.

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 is listed on The Bombay Stock Exchange (BSE) and Calcutta Stock Exchange Limited (CSE). The Company has paid listing fees for the financial year 2024-2025 to BSE Limited and the Company has not paid listing fees to CSE since 1998.

DEPOSITS:

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

ACKNOWLEDGEMENT:

Your directors place on records their appreciation of the valuable support of management, Financial Institutions, Government authorities, Banks, and Employees. The cooperation and the forbearance of the members are gratefully acknowledged.

By Order of the Board of Directors
For KOTHARI INDUSTRIAL CORPORATION LIMITED

PRADIP D KOTHARI
CHAIRMAN
DIN : 01315682

Place : Chennai
Date : 14.08.2024

Kothari Industrial Corporation Limited

Annexure I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2024.

1. INDUSTRY STRUCTURE, DEVELOPMENT : India is the third largest producer and consumer of mineral fertiliser globally. Over the years, the Indian fertiliser industry has grown significantly on the back of favourable demand, government's support and increasing agricultural output. Presently, the Government is actively focusing on addressing balanced crop nutrition and improving soil health. The Fertilizers industry has always been an important part of people's lives in India. The fertilizers industry in India is one of the oldest manufacturing sectors in the country and is currently it's largest. The company was engaged in the business of manufacture of Single Super Phosphate (SSP) in the Manufacturing unit situated at Kathivakkam Village, Ennore, Chennai-600057. The production was shelved/discontinued due to scarcity of imported quality Raw materials and want for working capital funds. The Board of Directors proposed an alternative solution for capacity expansion, and identified the factory situated at Ennore, which is not being fully utilized by the Company due to lack of fund.. In this regard, the Board has approached and offered M/s. Coromandal International Limited to operate the production facilities on lease basis as they are into similar manufacture as well own mines the question of Raw materials scarcity does not arise which is the backbone of this industry. The Board of Directors leased out the factory for a period of 5 years situated at Ennore, Chennai to M/s. Coromandel International Limited. During the year Company sold the factory to M/s. Coromandal International Limited. The company has diversified into various businesses such as Drones, footwears and Restaurants. The Company is mainly engaged in manufacturing and trading of fertilizers. Having more than seven decades experience in the manufacturing and marketing of fertilizers, trading of NPK mixtures, and also distributing Plant protection chemicals, Micro Nutrients & Growth Promoters. company is a dominant player in the Agro Inputs industry, providing cost-effective, superior quality, new technology products and affordable prices to the farming community.

2. OPPORTUNITIES & THREATS : Government's vision to double farmer's income by 2025 is likely to increase agri inputs consumption. Improved awareness about soil health and sustainable practices to promote balanced organic fertilizer. Central and State governments' support towards drip and microirrigation adoption to improve the resource use efficiency and promote water soluble fertiliser usage. The Government is committed to encourage the healthy growth of Capital Market for development of the Economy. During the year 2023-2024, the company has diversified into footwear business. The company had made an application for revocation of suspension to BSE Limited. BSE granted revocation of suspension order on 28.03.2024. The company is exploring other significant business opportunities as part of a diversification scheme which would generate financial outlay and the profitability of the company during the rest of the current financial year 2024-25. The company was engaged in the business of manufacture of Single Super Phosphate (SSP) in the Manufacturing unit situated at Kathivakkam Village, Ennore, Chennai-600057. The Business is operating under challenging environment due to various factors as high cost of raw material /supplies, high Interest Cost and the banks reducing the borrowing powers and then stopping abruptly funding of the working capital are the factors that have led to the recent negative performance of the Company. In addition to that due to continuous loss the entire net worth is eroded and it is negative now. The production was shelved/discontinued due to scarcity of imported quality Raw materials and want for working capital funds. Our factory was established in the year 1960. The Land, Plant and Machinery and Building is under hypothecation since 1995. Since our factory is very old and situated in Coastal Regulation Zone(CRZ) and near to sea, and Company is required fund to develop the factory so we are unable to run the factory with latest technology. Since our factory is situated near to sea, we have lost 7 acres due to sea erosion. Several initiatives such as launching of new products, substantial improvements in quality and service, cost reduction etc. were taken in the past. However, the performance of the Unit did not improve. As the Unit is considered no longer viable, after considering various options the Board sold the same in the overall best interest of all the stakeholders, to M/s. Coromandal International Limited.

3. SEGMENT-WISE PERFORMANCE : The Company's main business activity is trading of Fertilizers product and its related activities which fall under four reportable segments. The company has rentals income on its property leased out to various tenants subsequent to the close of the financial year. Major portion of the company's rentable space have been parted pursuant to the approval of the shareholders at the Extra-ordinary General Meeting held on 26th February 2019. Pursuant to the approval of the shareholders at the Extra-ordinary General Meeting of the company held on 26th February 2019, the company sold two floors of Kothari Buildings to M/s. Gemini Iron and Steel Pvt. Ltd and in July 2021 transferred remaining two floors to the financial creditor in full settlement of its claim. The Company has leased out the factory situated at Ennore, Chennai to M/s. Coromandel International Limited. The same has been approved by the shareholders of the company vide EGM held on 07th December 2021. The rental income is likely to be significantly reduced going forward. The Company has majorly focused on quality and production. During the year 2023-2024, the company has diversified into footwear business. During the year, the Company recorded a total revenue of Rs. 2714.12 Lacs as compared to Rs. 1031.12 Lacs in the previous year. The details of segment-wise performance are furnished in notes to the financial statements.

4. OUTLOOK : The Company continues to explore the possibilities of expansion and will make the necessary investments when attractive opportunities arise. Company will continue to focus on improving the quality of customer engagement, creating new infrastructure & strengthening existing operations, promoting a safe work environment, enabling culture for happy and satisfied employees, thereby enhancing its stakeholder's value creation. Overall, with a normal monsoon expectation and strengthened business processes, KICL expects to sustain its growth momentum in 2024-25. The company is exploring other significant business opportunities as part of diversification scheme which would generate financial outlay and the profitability of the company during the rest of the current financial year 2024-25.

5. RISK & CONCERNS : Risk management is a very important part of the Company's business policy. Risk Management structure spans across different levels and the Company, continuously identifies,

classifies and formulates mitigation measures. The key risk management practices include risk assessment, measurement, monitoring, reporting, mitigation actions and integration with strategy and business planning. The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments.

6. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY :

Company has adequate internal controls consistent with the nature of business and size of the operations, to effectively provide for safety of its assets, reliability of financial transactions with adequate checks and balances, adherence to applicable statutes, accounting policies, approval procedures and to ensure optimum use of available resources. These systems are reviewed and improved on a regular basis. The Company's operating and business control procedures ensure efficient use of resources and comply with the procedures and regulatory requirements. There are adequate internal controls to safeguard the assets and protect them against losses from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The Audit Committee periodically reviews the internal controls systems and reports their observations to the Board of Directors if any. The Directors have appointed M/s. N. Ganesan & Co, Chartered Accountants as the Internal Auditors of the Company for the FY 2023-24.

7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

During the year, the Company has recorded a revenue from operation of Rs. 1363.52 Lacs as compared to Rs. 957.64 Lacs in the previous year. The Company has made net profit of Rs. 3279.27 Lacs as compared to net loss of Rs. (1990.86) Lacs of the previous year after providing depreciation, tax, etc. for the year ended 31st March, 2024.

Kothari Industrial Corporation Limited

8. HUMAN RESOURCE DEVELOPMENT : Human resources are the most important resources in an organization and need to be used efficiently, because success, stability and growth of an organization depend on its ability in acquiring, utilizing and developing the human resources for the benefit of the organization. There were no incidents of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company believes that the human resources are vital in giving the Company a Competitive edge in the current

business environment. The Company's philosophy is to provide congenial work environment, performance-oriented work culture, knowledge acquisition / dissemination, creativity and responsibility. As in the past, the Company has enjoyed cordial relations with the employees at all levels. The Company continues to run an in-house training program held at regular intervals and aimed at updating their knowledge about issues.

Total number of employees as on 31st March 2024 was 107.

9. KEY FINANCIAL RATIOS:

Description	U/M	2023-24	2022-23	Remarks
Debtors Turnover	Days	38.9	103.49	Due to increase in revenue from operation ratio has been reduced
Inventory Turnover	Days	43.34	69.05	Due to increase in revenue from operation ratio has been reduced
Interest coverage ratio	Times	12.7	(0.74)	Due to increase in profit ICR becomed positive
Current ratio	Times	0.26	0.52	Due to increase in liabilities
Debt Equity ratio	-	0.06	(1.53)	Due to decrease in Non current liabilities and Increase in Capital employed
Operating Profit Margin	%	52.5	(169.44)	Due to increase in profit OPM becomed positive
Net Profit Margin %	%	42.69	(192)	Due to increase in profit OPM becomed positive
Return on Net worth	%	204.65	42	Due to increase in profit RONW increases

By Order of the Board of Directors
For **KOTHARI INDUSTRIAL CORPORATION LIMITED**

PRADIP D KOTHARI
CHAIRMAN
DIN : 01315682

Place : Chennai
Date : 14.08.2024

Annexure II

Details under Section 197(12) Of the Companies Act, 2013 Read With Rule 5(1) Of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (i) The ratio of the remuneration of each Director to the median employee's remuneration for the financial year and such other details: No remuneration was received by any directors in the company during the financial year 2023-24. Mr. Gunasekaran received only sitting fees.
- (ii) There is no percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Manager, except Company Secretary, in the financial year.
- No remuneration received by the director, so the question of percentage increase in remuneration of each director doesn't arise. Mr. Gunasekaran received only sitting fees..
 - There is no Chief Executive Officer in the financial year, so the question of percentage increase in remuneration of Chief Executive Officer doesn't arise.
 - There is 42.53% increase of remuneration of CS in the financial year.

(iii) The percentage decreased in the median remuneration of employees in the financial year: 77.37%.

(iv) There were 107, permanent employees on the rolls of the Company as on 31.03.2024.

(v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase in the salaries of employees other than the Managerial Personnel in the last financial year is 18.95 % and there is no percentile increase in the managerial remuneration.

(vi) It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

By Order of the Board of Directors
For KOTHARI INDUSTRIAL CORPORATION LIMITED

PRADIP D KOTHARI
CHAIRMAN
DIN : 01315682

Place : Chennai
Date : 14.08.2024

Form No.MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR 2023-24

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Kothari Industrial Corporation Limited
(CIN - L74110TN1970PLC005865)
Registered Office: Kothari Buildings,
114, Mahatma Gandhi Salai,
Nungambakkam,
Chennai 600034.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kothari Industrial Corporation Ltd (CIN: L74110TN1970PLC005865) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents, and authorized representatives during the conduct of secretarial audit, we hereby report:

That in our opinion, the company has, during the period covering the financial year 2023-24 has complied with the applicable statutory provisions listed herein and also the company has proper Board Processes and Compliance Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year 2023-24 with respect to the provisions of-

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Rules framed there under;

- iv. Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI ACT) to the extent applicable to the company:
 - a. The securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations 1993;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, SEBI Regulations including LODR Regulations as under:

- i. The Board of Directors of the company have approved a Scheme of Reduction of share capital (the Scheme), to extinguish / cancel 66,27,000 equity shares of the Company held by Promoters group of the Company, as detailed in the Scheme

which is posted on the Company's website. The Scheme was approved by the shareholders through a special resolution vide postal ballot dated June 30, 2021, and was taken on record by the stock exchanges (BSE – designated stock exchange for this purpose). The Company had filed the application/scheme for reduction of capital before the NCLT, Chennai. NCLT, Chennai has approved the scheme of reduction of capital via an order dated 10.05.2023. The company had filed e-form INC-28 with the Registrar of Companies, Chennai on 30.05.2023, upon which the scheme has become effective. The issue subscribed and paid-up capital of the Company stands reduced from 1,91,10,885 equity shares of ₹5/- each aggregating to ₹9,55,54,425 to 1,24,83,885 equity shares of ₹5/- each aggregating to ₹6,24,19,425..

- ii. 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.
- iii. The company's shares continue to be under suspension mode with Calcutta Stock Exchange and the suspension in trading of equity shares from BSE has been revoked w.e.f March 28, 2024.

We have also examined the compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by "The Institute of Company Secretaries of India";
- ii. The Listing agreement entered into by the company with BSE read with the SEBI (Listing obligations and Disclosure Requirements) Regulation, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Nature of Non-Compliances	Applicable Act, Rules, Regulations, Provisions, etc.
The total promoter and Promoter group shareholding is not fully Dematerialized.	Regulations 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We further report that:

- i. The Board of Directors of the company is duly constituted with proper balance of Executive, Non-Executive, and Independent Directors.
- ii. Adequate notice is given to all Directors to schedule the meetings, agenda and detailed notes on agenda were sent to directors at shorter notice and at least Seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For SANTOSH SENAPATI & CO.,
Company Secretaries**

**CS. SANTOSH KUMAR SENAPATI
Company Secretary**

(M.No. 11548)

(C.P. No. 16782)

Place : Chennai

Date : 14/08/2024 Peer Review Certificate No. 2789/2022

UDIN: F011548F000973300

Note: This Report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this Report.

Annexure-A

(Our report of even date is to be read along with this Annexure-A)

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc;
5. The compliance of the provisions of the corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For SANTOSH SENAPATI & CO.,
Company Secretaries**

**CS. SANTOSH KUMAR SENAPATI
Company Secretary
(M.No. 11548)
(C.P. No. 16782)**

**Peer Review Certificate No. 2789/2022
UDIN : F011548F000973300**

**Place : Chennai
Date : 14/08/2024**

Annexure IV
Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/
joint ventures**
Part "A": Subsidiary

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Kothari Marine International Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2023 to 31.03.2024
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
4.	Share capital	1000000
5.	Reserves & surplus	(127146)
6.	Total assets	917154
7.	Total Liabilities	917154
8.	Investments	0
9.	Turnover	0
10.	Loss before taxation	(37883)
11.	Provision for taxation	0
12.	Loss after taxation	(37883)
13.	Proposed Dividend	0
14.	% of shareholding	99.99

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: N.A
- Names of subsidiaries which have been liquidated or sold during the year. N.A

 By Order of the Board of Directors
For KOTHARI INDUSTRIAL CORPORATION LIMITED
PRADIP D KOTHARI
CHAIRMAN
DIN : 01315682
Place : Chennai
Date : 14.08.2024

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

Rs. In Lakhs

Name of the Related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board, If any	Amount paid as advances, if any
Topguard International Security Force Private Limited-The Managing Director of the company is a Director in the Related Party Company.	Security and food services	2023-2024	Value of transactions not exceeding of Rs.30 lakhs for the financial year 2023-2024.	14.02.2023	Nil
Phoenix Kothari footwear Limited- The Managing Director of the company is a Director in the Related Party Company.	Maintenance charge	2023-2024	Value of transactions not exceeding of Rs.90 lakhs for the financial year 2023-2024	14.02.2023	Nil
JR One Footwear Private Limited- The Managing Director of the company is a Director in the Related Party Company.	Food services	2023-2024	Value of transactions not exceeding of Rs.50 lakhs for the financial year 2023-2024	14.02.2024	Nil

By Order of the Board of Directors
For KOTHARI INDUSTRIAL CORPORATION LIMITED

PRADIP D KOTHARI
CHAIRMAN
DIN : 01315682

Place : Chennai
Date : 14.08.2024

**DECLARATION UNDER REGULATION 26(3) READ WITH SECHEDULE V PART D OF SEBI
(LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Rafiq Ahmed (DIN: 02861341), Managing Director of the Company declare that the all-Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the FY ended 31st March, 2024.

By Order of the Board of Directors
For **KOTHARI INDUSTRIAL CORPORATION LIMITED**

J. RAFIQ AHMED
MANAGING DIRECTOR
DIN : 02861341

Place : Chennai
Date : 14.08.2024

**COMPLIANCE CERTIFICATE UNDER REGULATION UNDER REGULATION 17(8) READ WITH PART B OF
SCHEDULE II OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,
The Board of Directors,
KOHARI INDUSTRIAL CORPORATION LIMITED

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting. Further we have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the auditors and the Audit committee
1. That there are no significant changes in internal control over financial reporting during the year;
 2. That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. That there are no instances of significant fraud with the involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

By Order of the Board of Directors
For **KOTHARI INDUSTRIAL CORPORATION LIMITED**

Place : Chennai
Date : 14.08.2024

J. RAFIQ AHMED
MANAGING DIRECTOR
DIN : 02861341

HARI KISHORE ARIKATI
CHIEF FINANCIAL OFFICER

Kothari Industrial Corporation Limited

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
KOHARI INDUSTRIAL CORPORATION LIMITED
Kothari Buildings, Nungambakkam High Road,
Chennai-600034

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kothari Industrial Corporation Limited having CIN-L74110TN1970PLC005865 and having registered office at Kothari Buildings, Nungambakkam High Road, Chennai-600034 (herein after referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Subclause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

SL. No.	Name of Director	DIN	Date of appointment in Company
1	PRADIP DAYANAND KOTHARI	01315682	28/04/1972
2	JINNAH MOIDEEN AHMED RAFIQ	02861341	21/04/2017
3	DILIP MACHADO	06895289	31/03/2015
4	DAKSHINAMOORTHY GUNASEKARAN	07326495	30/10/2015
5	THOOPJLAMUDU ARULPATHY RAJALAXMI	08148628	11/06/2018

Ensuring the eligibility of and for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SANTOSH SENAPATI & CO.,
Company Secretaries

CS. SANTOSH KUMAR SENAPATI
Company Secretary
(M.No. 11548)
(C.P. No. 16782)

Place : Chennai
Date : 14.08.2024

Peer Review Certificate No. 2789/2022
UDIN : F011548F000973410

Independent Auditor's Report

To the Members of

KOTHARI INDUSTRIAL CORPORATION LIMITED

Report on the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of **KOTHARI INDUSTRIAL CORPORATION LIMITED** ("*the Company*") which comprise the standalone Balance Sheet as at March 31, 2024, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date except for the matters as discussed in the basis of opinion para.

Basis for Qualified Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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.
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.

Continued...

Kothari Industrial Corporation Limited

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Principal Audit Procedures
The Evaluation of the Company as a going concern and the consequent classification of the assets as "held for sale"	The Company has been making losses in the previous years which has eroded the networth and the current liabilities exceeds the current assets. The Company is in the process of expansion of business and has entered into business contracts with various customers in India and abroad. The Company has provided for our verification the contracts in support of the assumption of going concern on the basis of which the accompanying standalone financial statements have been drawn.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 statements.

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 statements, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 auditor's report to the related disclosures in the standalone financial 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable:
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. In our opinion and to the extent of information made available to us, no managerial remuneration for the year ended 31st March 2024 has been paid/provided by the Company in accordance with the provisions of Section 197 read with Schedule V to the Act.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 19 of the standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - i. In our opinion and to the best of our knowledge and belief and as represented to us by the Company, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries as per Clause (e)(i) of Rule 11 of Companies Audit and Auditors Rules, 2014. Refer Note No 36.
 - j. In our opinion and to the best of our knowledge and belief and as represented to us by the Company, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or otherwise, the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner

whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries as per Clause (e)(ii) of Rule 11 of Companies Audit and Auditors Rules, 2014. Refer Note No 37.

Based on such audit procedures as considered reasonable by us, we have not come across anything to believe that the representations made by the Company for Clause (i) & (j) as above contain any material misstatement

- k. No dividend has been declared or paid by the Company during the year.

- l. According to the information and explanations provided to us, the Company has maintained its books of accounts in an accounting software that does not maintain a feature to view the audit trail (edit log). Hence, we were unable to examine the edit log in the accounting software maintained by the Company. However, in our opinion, except for the matters stated in the basis of opinion para, proper books of accounts stating the true and fair state of affairs of the Company as required under Section 128(1) of the Companies Act 2013 has been maintained by the Company for the financial year ended 31st March 2024.

Place : Chennai
Dated : 29.05.2024

For **M/s. Ray & Ray**
Chartered Accountants
Firm Reg.No.301072E
(V. Raman)
Partner
Membership No. 019839

Kothari Industrial Corporation Limited

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

- i In respect of the Company's fixed assets :
 - (a) The Company has maintained proper records showing full particulars, except for details like supplier name, quantitative details and the location of the plant, property and equipment.
 - (b) The Company has not maintained proper records showing full particulars of intangible assets.
 - (c) The Management has a regular programme for verification of property, plant and equipment at reasonable intervals. The company has obtained the confirmation of assets held by their employees at the reporting date. According to the information and explanation given to us, no material discrepancies were noticed on such verification. However, the physical verification report produced to us did not record details such as quantity and the physical condition of the property, plant and equipment.
 - (d) The title deeds of immovable properties are held in the name of the company except for the land in Gujarat for which only Form 7 was produced for our verification. Hence, we are unable to comment on the title of the Company as sufficient audit evidence viz sale deed/allotment letter was not provided.
 - (e) The Company has not revalued its Property, Plant and Equipment including (Right of use) assets or intangible assets during the year.
 - (f) According to the information and explanation given to us, no proceeding have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) According to the information and explanation given to us, physical verification of inventory has been conducted at reasonable intervals by the Management and no discrepancies were reported by the Management. Based on the reports presented, we are of the opinion that the coverage and the procedure adopted for such verification is appropriate.
- (b) According to the information and explanation given to us, the Company has not been sanctioned working capital limits at any point of time during the year. Hence, we have nothing to report under this clause.
- iii. According to in the information and explanations given to us, the Company, during the year, has not made investments in, provided any guarantee or security or granted any loans or advances, in the nature of loan, secured or unsecured, to companies, firms, limited liability partnership or any other parties. Hence, we have nothing to report under sub-clause (a) to (f) of this clause.
- iv. According to the information and explanations given to us, the Company has not advanced any loans or advances directly or indirectly to the directors of the Company covered u/s 185 of the Companies Act 2013. The Company has not made investment and given guarantee during the year. Hence, we have nothing to report under this clause.
- v. According to the information and explanations given to us, the Company has not accepted deposits or amounts which are deemed to be deposits during the year and therefore, the provisions of this clause is not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Hence, we have nothing to report under this clause.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has not been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were undisputed amounts payable in respect of the following statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of payment	Remarks
ESI Act	ESI contribution	3,431	April 2023 to September 2023	15 th of the subsequent month	N.A.	No payment was made until the date of this report
PF Act	PF contribution, interest & penal damages	30,56,872	FY 2023-24 and previous years	15 th of the subsequent month	N.A.	No payment was made until the date of this report
Income Tax Act, 1961	Tax deducted at source, interest and late fees	3,06,03,013	FY 2023-24 and previous years	7 th of the subsequent month	N.A.	No payment was made until the date of this report

- (c) As per the information and explanations provided to us, there were no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise duty and Value Added Tax which have not been deposited as on March 31, 2024 on account of disputes except as mentioned below:

Name of the statute	Nature of dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax 1961	Income tax	95,33,960	2022-23 (FY 2021-22)	CIT(A)

- viii. According to the information and explanation given to us, there were no transactions that were not recorded in books & was surrendered or disclosed as income during the year in the tax assessments under Income Tax Act 1961.
- ix. (a) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in payment of interest thereon to any lender. However, schedule for repayment of principal and interest of loans amounting to Rs. 1,80,95,000 from promoters and Rs. 1,59,21,572 from others has not been stipulated and hence, we are unable to comment on the regularity of the repayment of such loans.
- (b) According to the information and explanation given to us, the Company has not been declared as a wilful defaulter by any bank or financial institutions or any other lender.
- (c) According to the information and explanation given to us, no term loan was obtained by the Company during the year. Hence, we have nothing to report on the utilization of such loans under this clause.
- (d) According to the information and explanation given to us, no short-term loans were raised for long term purposes during the year. Hence, we have nothing to report under this clause.
- (e) According to the information and explanation given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence, we have nothing to report under this clause.
- (f) According to the information and explanation given to us, the Company has not raised any loans during the year on pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, we have nothing to report under this clause.
- x. (a) According to the information and explanation given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, we have nothing to report under this clause.
- (b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, we have nothing to report under this clause.

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- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanation given to us, no report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with Central Government.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Hence, we have nothing to report under this clause.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a)&(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Hence, we have nothing to report under this clause.
- (c) & (d) In our opinion, according to the information, representation and explanations given to us, the Company is not a Core Investment Company as per the definition contained in the Core Investment Company (Reserve Bank) Directions 2016. Hence, we have nothing to report under this clause.
- xvii. The Company has not incurred cash losses in the financial year and cash loss of Rs.1736.60 lakhs was incurred in the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns, if any, raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payments of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanation given to us and based on our examination of the books of accounts, the Company does not have any unspent amount specified in Schedule VII to the Act within the time limits.

Place : Chennai
Dated : 29.05.2024

For M/s. Ray & Ray
Chartered Accountants
Firm Reg.No.301072E
(V. Raman)
Partner
Membership No. 019839

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **KOTHARI INDUSTRIAL CORPORATION LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date:

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Aditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Kothari Industrial Corporation Limited

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

for the following points as highlighted in the internal audit report, the Company has adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

- A) No limit is fixed for imprest cash provided to the Branches for day-to-day working expenses. There is irregular frequency of obtaining imprest cash.
- B) Company has many non-operating bank accounts in the books of accounts.

Place : Chennai
Dated : 29.05.2024

For M/s. Ray & Ray
Chartered Accountants
Firm Reg.No.301072E
(V. Raman)
Partner
Membership No. 019839

KOTHARI INDUSTRIAL CORPORATION LIMITED
STANDALONE BALANCE SHEET AS AT 31ST MARCH 2024
Rupees in Lakhs

Particulars	Note No	As at 31 st March 2024	As at 31 st March 2023
(I) ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	2,969.07	2,753.79
(b) Capital work-in-progress	3	-	-
(c) Other Intangible assets		3.11	3.22
(d) Intangible assets under development		-	-
(e) Financial Assets			
(i) Investments	4	10.18	9.99
(ii) loans and advances	5	979.07	83.65
(f) Deferred tax asset	6	45.39	778.03
(g) Other Non current assets		-	-
CURRENT ASSETS			
(a) Inventories	7	138.75	167.84
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	8	19.09	271.54
(iii) Cash and cash equivalents	9	2.50	1.28
(iv) Bank balances other than cash and cash equivalents as above	9	113.02	36.51
(v) Other Financial assets	10	882.07	703.98
(c) Current tax assets (net)		-	-
(d) Other urrent assets		-	-
TOTAL ASSETS		5,162.24	4,809.86
(II) EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	624.19	955.54
(b) Other Equity	12	156.29	(5,708.40)
Equity		780.48	(4,752.86)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	21.55	7,265.80
(ii) Other Financial liabilities		-	-
(b) Provisions	14	19.94	19.29
(c) Deferred tax Liabilities (Net)		-	-
(d) Other non-current liabilities	15	7.90	-
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	3,309.40	-
(ii) Trade payables - Others	17		
Micro & small enterprises		39.04	5.24
Other than micro & small enterprises		-	115.71
(iii) Other Financial liabilities	18	978.11	2,049.43
(b) Other Current liabilities		-	-
(c) Provisions	14	5.84	107.26
(d) Current Tax Liability (Net)		-	-
TOTAL EQUITY AND LIABILITIES		5,162.24	4,809.86
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES			
CONTINGENT LIABILITIES			
2			
19			

The accompanying notes are an integral part of the standalone Ind AS financial statements

As per our Report of even date attached

For Ray & Ray
Chartered Accountants
Regn.No.301072E
V. Raman
Partner
Membership No.019839
Place: Chennai
Date : 29.05.2024
For and on behalf of the Board of Directors
Dilip Machado
Director
DIN : 06895289
J. Rafiq Ahmed
Vice Chairman &
Managing Director
DIN : 02861341
Anil Kumar Padhiali
Company Secretary
Hari Kishore
Chief Financial Officer

Kothari Industrial Corporation Limited

Standalone Statement of Profit and Loss for the year ended 31st March, 2024

Particulars	Note No	Rupees in Lakhs	
		For the year ended 31 st March 2024	For the year ended 31 st March 2023
Revenue from operations	20	1,363.52	957.64
Other Income	21	1,350.60	73.48
		<u>2,714.12</u>	<u>1,031.12</u>
Expenses:			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade	22	882.74	531.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	29.08	(18.77)
Employee benefits	24	861.74	288.67
Financial costs	25	270.92	1,134.61
Depreciation and amortization expense	3	24.88	11.26
Other expenses	26	1,579.46	831.21
		<u>3,648.82</u>	<u>2,777.98</u>
Profit / (Loss) before exceptional items and tax		(934.69)	(1,746.86)
Exceptional Items	27	-	-
- Profit / (Loss) on sale of asset		4,967.16	-
- Provision for Expenses		-	(230)
Profit / (Loss) before tax		4,032.47	(1,976.86)
Tax expense:			
(1) Current tax		130.49	-
(2) Deferred tax		732.64	-
Profit / (Loss) for the period of continuing operation		<u>3,169.33</u>	<u>(1,976.86)</u>
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from discontinued operations (after tax)		-	-
Profit / (Loss) for the period		<u>3,169.93</u>	<u>(1,990.86)</u>
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		109.96	(14.00)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(iii) Items that will be reclassified to profit or loss		-	-
(iv) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period (Comprising Profit/(Loss) for the period and Other Comprehensive Income for the period)		3,279.29	(1990.86)
Earning per equity share (for continuing operation):			
(1) Basic EPS	29	26.27	(10.42)
(2) Diluted EPS		26.27	(10.42)
(3) Revised EPS		26.27	(15.05)
Earning per equity share (for discontinuing operation):			
(1) Basic EPS	29	-	-
(2) Diluted EPS		-	-
(3) Revised EPS		-	-
Earning per equity share (for discontinued and continuing operation):			
(1) Basic EPS		26.27	(10.42)
(2) Diluted EPS		26.27	(10.42)
(3) Revised EPS		26.27	(15.05)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2

The accompanying notes are an integral part of the standalone Ind AS financial statements

As per our Report of even date attached

For Ray & Ray
Chartered Accountants
Regn.No.301072E

V. Raman
Partner
Membership No.019839
Place: Chennai
Date : 29.05.2024

For and on behalf of the Board of Directors
Dilip Machado
Director
DIN : 06895289

J. Rafiq Ahmed
Vice Chairman &
Managing Director
DIN : 02861341

Anil Kumar Padhiali
Company Secretary

Hari Kishore
Chief Financial Officer

A) EQUITY SHARE CAPITAL
Rs. in Lakhs
(i) Year ended 31st March, 2024

Balance as at April 1, 2023	Changes in Equity Share Capital due to Prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity Share capital during the current year	Balance as at March 31, 2024
955.54	-	-	331.35	624.19

(ii) Year ended 31st March, 2023

Balance as at April 1, 2022	Changes in Equity Share Capital due to Prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity Share capital during the previous year	Balance as at March 31, 2023
955.54	-	-	-	955.54

Equity shares of Rs. 5 each issued, subscribed and fully paid (Refer Note No. 11a)

	31 st March 2024		31 st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Balance as at the beginning of the year	1,91,10,885	9,55,54,425	1,91,10,885	9,55,54,425
Add: Shares issued during the year	-	-	-	-
Less: Reduction in Share capital	(66,27,000)	(3,31,35,000)	-	-
Balance as at the end of the year	1,24,83,885	6,24,19,425	1,91,10,885	9,55,54,425

B) OTHER EQUITY
Current Year 2023 - 24

Particulars	Reserves and Surplus							Total
	Capital Reserve	Capital Redemption Reserve	Fixed Asset Reserve	Revaluation Reserve	Retained Earnings	Profit and Loss	Remeasurement Gain of Employee Benefit Obligation	
Balance as at April 1, 2023	2,631.90	18.00	-	2,164.72	(2,229.93)	(8,293.08)	-	(5,708.39)
Profit/(Loss) for the year	-	-	24.10	-	-	-	-	24.10
Other Comprehensive Income	-	-	-	-	-	-	-	-
Transfer from / to retained earning	-	-	-	-	-	-	-	-
Transfer from / to Profit and Loss A/c	-	-	-	-	-	3,279.29	-	3,279.29
Transfer from Equity Share Capital	-	331.35	-	-	-	-	-	331.35
Other Adjustment	-	-	-	-	2,229.93	-	-	2,229.93
Dividend distribution tax paid	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	2,631.90	349.35	24.10	2,164.72	0.00	(5,013.79)	-	156.29

Kothari Industrial Corporation Limited

Rs. in Lakhs

Previous Year 2022 - 23

	Reserves and Surplus							Total
	Capital Reserve	Capital Redemption Reserve	Fixed Asset Reserve	Revaluation Reserve	Retained Earnings	Profit and Loss	Remeasurement Gain of Employee Benefit Obligation	
Balance as at April 1, 2022	1,415.76	18.00	-	3,380.86	(3,446.06)	(12,640.51)	-	(11,271.95)
Profit/(Loss) for the year	-	-	-	-	-	4,347.43	-	4,347.43
Other Comprehensive Income	-	-	-	-	-	-	-	-
Transfer from/to retained earning	1,216.14	-	-	-	1,216.14	-	-	2,432.27
Transition Adjustments made during previous year	-	-	-	(1,216.14)	-	-	-	(1,216.14)
Dividend declared and paid during the year	-	-	-	-	-	-	-	-
Dividend distribution tax paid	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	2,631.90	18.00	-	2,164.72	(2,229.93)	(8,293.08)	-	(5,708.39)

As per our Report of even date attached

For and on behalf of the Board of Directors

V. Raman
Partner
Chartered Accountants
Regn.No:307072E

Dilip Machado
Director
DIN : 06895289

J. Rafiq Ahmed
Vice Chairman &
Managing Director
DIN : 02861341

Hari Kishore
Chief Financial Officer

Anil Kumar Padhiali
Company Secretary

Hari Kishore
Chief Financial Officer

STANDALONE CASH FLOW STATEMENT

	31 st March 2024 Rs. Lakhs	31 st March 2023 Rs. Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(934.69)	(1,746.86)
Add :		
Net Depreciation	<u>24.88</u>	<u>11.26</u>
	(909.81)	(1,735.60)
Add / Less :		
Finance cost	-	1,134.61
Provision Long Term	0.65	(230.00)
Duty draw back & Creditors written back	0.26	-
Interest received	(1,126.66)	-
Bank Interest	(2.52)	-
Discount Received	(1.41)	-
Profit On Sale Of Asset	(4,967.16)	-
Provision No Longer Required	(85.33)	-
Other Income	(134.68)	904.61
	<u>(6,316.85)</u>	<u>(830.99)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(7,226.67)	(830.99)
MOVEMENT IN WORKING CAPITAL :		
(Increase) / Decrease in Inventories	29.08	54.45
(Increase) / Decrease in Trade Receivables	252.45	(46.38)
(Increase) / Decrease in Financial Assets	(178.09)	(182.23)
Increase / (Decrease) in Provisions	(101.41)	-
Increase / (Decrease) in Borrowings	3,309.40	-
Increase / (Decrease) in Trade Payables	(81.90)	(115.57)
Increase / (Decrease) in Other non-current Liabilities	7.89	-
Increase / (Decrease) in Other Financial Liabilities	612.61	1,239.53
Cash Generated from Operating Activities	<u>3,850.03</u>	<u>949.80</u>
Direct Taxes Paid	(3,376.64)	118.81
	(130.49)	-
	(3,507.08)	118.81
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		
B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of PPR and Intangibles	4,751.10	(29.49)
Duty draw back & Creditors written back	(0.26)	-
Interest Received	1,126.66	-

Bank Interest	2.52	-	
Discount Received	1.41	-	
Profit on Sale of Asset	4,967.16	-	
Provision No Longer Required	85.33	-	
Other Income	134.68	-	
	<u>11,068.60</u>	<u>(29.49)</u>	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	11,068.59	(29.49)	
B) CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings / (Repayment) of Non Current Liabilities	(7,244.24)	-	
Borrowings / (Repayment) of Long Term Borrowings	3,309.40	1,016.22	
Advances	(895.41)	49.80	
Other borrowings	(2,653.56)	-	
Interest Paid	-	(1,134.61)	
	<u>(7,483.81)</u>	<u>(68.59)</u>	
NET CASH FLOW FROM INVESTING ACTIVITIES (C)	(7,483.81)	(68.59)	
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	77.72	20.70	
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	115.49	37.79	
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash on Hand	2.50	1.28	
Balances on Current Accounts	113.02	36.51	
Cheques on Hand	-	-	
	<u>115.52</u>	<u>37.79</u>	

Note:- The above cash flow statement has been prepared under "Indirect method" Set out in the Ind AS 7 - Cash flow statement

Particulars	1-4-23	Cash Flow	Foreign exchange / others	31-3-24
Borrowing - Non-Current (including current maturities)	7,265.80	(7,244.24)	-	21.55
Borrowing - Current	-	3,309.40	-	3,309.40
Total	7,265.80	(3,934.85)	-	3,330.95

As per our Report of even date attached

For Ray & Ray
Chartered Accountants
Regn.No.301072E

V. Raman
Partner
Membership No.019839
Place: Chennai
Date : 29.05.2024

For and on behalf of the Board of Directors

Dilip Machado
Director
DIN : 06895289

J. Rafiq Ahmed
Vice Chairman &
Managing Director
DIN : 02861341

Hari Kishore
Chief Financial Officer

Anil Kumar Padhiali
Company Secretary

NOTES ON ACCOUNTS

NOTES FORMING PART OF THE STANDALONE IND AS FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Kothari Industrial Corporation Limited (“KICL” or “the Company”) is a public limited company was incorporated under the provisions of the Indian Companies Act 1956, in July 1, 1970 and is a listed company. The Company is engaged in manufacturing and mixing of fertilizers, providing drone services, engaged in hotel activities, engaged in footwear and leather activities and has a network of distributors in the southern states and has developed a brand value recognized in the market place. The company has planned to develop a Container Terminal at Ennore.

2. SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of preparation of standalone Ind AS Financial statements

(a) Statement of Compliance

These financial statements have been prepared in accordance with the generally accepted accounting principles in India and have complied in all material respects with the Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable and also complied with other relevant provisions of the Act and Interpretations issued by the Ind AS Transition Facilitation Group (ITFG) applicable to Companies reporting under Ind As and additional disclosures required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Financial statements up to the a year ended March 31, 2017 which were prepared in accordance with the accounting standard notified under the companies (accounting standard) Rules, 2006 (as amended) and other relevant provisions of the Act. Have been reinstated as per Ind As.

The Company’s Financial Statements are presented in Indian Rupees (C), which is also its functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated.

(b) Basis of measurement

These financial statements have been prepared under historical cost convention except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

(c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Kothari Industrial Corporation Limited

A liability is current when:

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2 Use of estimates and judgement

The preparation of financial statement in conformity with the generally accepted accounting principles requires the management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date, reported amounts of revenue and expenses for the year and disclosure of contingent liabilities as of the date of balance sheet. The judgement, estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date financial statements. Actual amounts could differ from these estimates.

2.3 Significant estimates and judgements

The areas involving significant estimates property and judgements are:

a) Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Assets	Useful Life
Building	30 years
Computer	3 years
Plant & Machinery	8 years
Furniture & Fittings - General	10 years
Furniture & Fittings - Used in hotels, restaurants	8 years
Vehicles	10 years
Office Equipment's	5 years
Software and Other Intangibles	6 years

b) Income Taxes

Deferred Tax Assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The company was having brought forward losses that will be used to setoff against future profit. During the year company has loss from operating activities and management decided not to create deferred tax assets for the brought forward loss and unabsorbed depreciation.

c) Defined Benefit Plans

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.4 Property, Plant and Equipment

(a) Freehold land is carried at cost. All other items of property, plant and equipment including intangibles are carried at cost less accumulated depreciation/amortization losses, if any.

The cost includes the cost of replacing part of the property, plant and equipment meeting the recognition criteria and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment up to the date of commissioning of the assets. In accordance with Ind AS 16- Property, Plant and Equipment commissioning expenses directly attributable to project is recognized under Capital Work in Progress (CWIP). Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.5 Investment Property

Property that is held for long-term rental yield or for capital appreciation or both is classified as investment property. Investment property is carried at cost including related transaction costs less accumulated depreciation and impairment losses, if any. Subsequent expenditure is included in the asset's book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are expensed when incurred. When a part of an investment property is replaced, the carrying amounts of the replaced part is derecognized.

2.6 Depreciation

Depreciation on tangible assets is provided on Written Down value method based on all assets at the appropriate rates in accordance with Schedule II to the Companies Act, 2013. Cost of Intangible amortized over a period of ten years on written down value basis. Investment property is depreciated using the straight line method over its estimated useful life in line with rates specified in Schedule II to the Companies Act 2013.

2.7 Borrowing Costs

Borrowing costs attributable to production or acquisition or construction of qualifying assets are capitalized as part of the cost of assets up to the date such assets are ready for their intended use. Other borrowing costs are recognized as expense in the period in which they are incurred.

2.8 Impairment

The carrying values of assets/cash generating units at each Balance sheet date are annually reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the statement of Profit and Loss..

2.9 Foreign Currency translation

i) Functional and presentation currency

The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Transaction and balances

Initial Recognition

Foreign currency transactions are recorded in functional currency using the exchange rate prevailing on the date of transaction.

Subsequent recognition

As at the reporting date, monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences arising out of actual payment/ realization and from the year end restatement are recognized in the statement of Profit and Loss.

Forward Contracts

Foreign exchange forward contracts outstanding at the year-end on account of firms commitment / highly probable forecast transactions are marked to market and the gains / losses, if any, are recognized in the Statement of Profit and Loss. The Company does not enter into any speculative transactions in derivatives.

2.10 Inventories

The company values its inventories using the First-In, First-Out (FIFO) method & its land using the Fair Market Value(Guideline Value)

2.11 Cash and Cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost, less provision for impairment.

2.13 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits full flow to the Company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it had pricing latitude and is also exposed to inventory and credit risks.

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company fulfils its performance obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade Receivables

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities in respect of advance from customers is disclosed under "other current liabilities". Contract liabilities are recognized as revenue when the Company performs under the contract.

(a) Sale of Goods and Services

Revenue, including subsidy, in respect of sale of goods and services is recognized at a point in time when control of the goods has transferred or services obligation has been performed, being when the goods are delivered to the buyer, the buyer has full discretion over the goods or services and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods. Revenue (other than subsidy) from the sales is recognized based on price specified in the contract, net of estimated volume discount. Amounts disclosed as revenue are net of returns and allowances, trade discounts, rebates, and goods & services tax (GST). The Company collects GST on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(b) Interest Income

Interest income is calculated by applying the effective interest rate to gross carrying amount of a financial asset except for financial asset that subsequently become credit impaired. In case of credit impaired financial asset, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

(c) Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(d) Insurance Claims

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

2.14 Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A. Company as Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognizes lease liabilities to make lease payments and right-of use assets representing the right to use the underlying assets.

Right of use assets

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. The Right to use assets are also subject to impairment as described in the policies with respect to the impairment of non-financial assets. For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of Profit and loss.

B. Company as Lessor

The leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating Lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. During the year ended 31 March 2020, the Company applied, for the first time, Ind AS 116 Leases retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

C. Nature of the effect of adoption of Ind AS 116.

The Company has lease contracts for Factory and Hotel Business. Before the adoption of Ind AS 116, the Company classified its leases (as lessor) at the inception date as an operating lease. In an operating lease, the leased property was not capitalized and the lease receipts/payments were recognized as rent income in the statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Prepayments and Trade and other payables, respectively. Upon adoption of Ind AS 116, the company applied a single recognition and measurement approach for all leases that it is the lessee, except for short term, leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the company.

2.15 Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Government Subsidy relating to income are recognized in the statement of profit and loss over the periods in which the related costs, for which the grants are intended to compensate are recognized as expenses.

(a) Financial assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortized cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Debt instruments at fair value through profit or loss (FVTPL).

Debt Instruments at Amortized Cost

A debt instrument is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt Instrument at FVTOCI

A debt instrument is classified as at FVTOCI if both the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned while holding FVTOCI debt instruments is reported as interest income using the EIR method.

Debt Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Instruments

- Equity instruments measured at fair value through profit or loss (FVTPL); and
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (i) the Group has transferred substantially all the risks and rewards of the asset, or
 - (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. Assessment of such credit risk is being made on case to case basis based on available information. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables. The allowance for doubtful debts/ advances or impairment of assets is made on case to case basis by considering relevant available information.

(b) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as loans and borrowings, as payables, or as derivatives. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including redeemable preference shares and derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial Instruments'. Gains or losses on liabilities held for trading are recognized in the profit or loss.

2.16 Employee benefits / Obligations

(i) Short term obligations

Liabilities for wages and salaries including non monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render their related services are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

ii) Post employment obligations

The Company has the following post employment obligations / plans:

- a) Defined benefit plans such as gratuity for its eligible employees; and
- b) Defined contribution plan such as provident fund

a) Gratuity:

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss not include an expected return on plan assets. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset.

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumption are recognized in the period in which they occur, directly in other comprehensive income (net of tax).

(b) Provident Fund:

This is a defined contribution plan, and contributions made to the Fund as per the rules of the Company are charged top rift and loss as and when due. The Company has no further obligations for future provident fund benefits other than monthly contributions.

2.17 Taxes on Income

Taxes on Income comprise current tax and deferred tax.

The current tax expense for the period is the tax payable on the current period's taxable income computed at the applicable income tax rate and is recognized in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Current and deferred tax is recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.18 Provisions and contingencies

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingencies

Contingent liabilities are not recognized but are disclosed in notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all potential equity shares.

2.20 Accounting Policy, Change in Accounting Estimates and Error

If the Material error occurred before the earliest prior period presented then entity shall correct the same retrospectively in the first set of financial statement approved for issue after the discovery after restating the opening balance of assets, Liabilities and equity for the earliest prior period presented.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reposting provided to the chief Operating Decision Maker ("CODM")

2.22 Dividend to Shareholders

Final dividend distributed to equity shareholders is recognized in the period in which it is approved by the members of the Company in the Annual General Meeting. Interim dividend is recognized when approved by the Board of Directors at the Board meeting. Dividend distributed (including interim dividend) is recognized in the Statement of changes in Equity.

Note 3 Property, plant and equipment

Rs. in Lakhs

Current Year (FY 2023-24) Assets	Gross Block			Depreciation				Impairment Loss		Net Block		
	As at April 1, 2023	Addition	Disposal	As at March 31, 2024	Opening Accumu- lated Depreciation	Depreciation / amortization for the year	Deductions / Other adjustments	Closing Accumu- lated Depreciation / Amortization	As at April 1, 2023	During the year	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment												
Land	2,639.98	-	9.55	2,630.43	-	0.11	-	-	-	-	2,630.43	2,639.98
Building	1.57	0.01	-	1.58	1.47	0.11	-	1.58	-	-	0.00	0.10
Computer	88.07	37.59	9.70	115.95	81.04	4.38	2.02	83.40	-	-	32.55	7.02
Plant and Machinery	613.11	161.68	617.72	157.07	550.12	9.90	486.97	73.05	-	-	84.02	62.99
Office Equipments	164.27	34.50	51.22	147.55	151.99	0.99	30.19	122.78	-	-	24.77	12.28
Furniture and Fixture	49.66	124.13	0.51	173.28	49.66	3.04	4.67	52.70	-	-	120.58	0.00
Vehicle	68.74	39.02	-	107.75	34.72	4.67	3.91	35.48	-	-	72.27	34.01
Total Fixed Assets (A)	3,625.39	396.93	688.71	3,333.61	869.01	23.08	523.10	369.00	-	-	2,964.62	2,756.38
Intangible Assets												
SAP Software	20.01	0.30	-	20.31	19.35	1.77	-	19.35	-	-	0.95	0.65
Drone Software	-	3.93	-	3.93	-	1.77	-	1.77	-	-	2.16	-
Architecture Fees-Lease Hold	-	4.46	-	4.46	-	0.02	-	0.02	-	-	4.44	-
Total Intangible Assets (B)	20.01	8.69	-	28.70	19.35	1.80	-	21.15	-	-	7.55	0.65
Total Assets (A+B)	3,645.40	405.62	688.71	3,362.31	888.36	24.88	523.10	390.15	-	-	2,972.18	2,757.02
Current Year (FY 2022-23) Assets												
Property, plant and equipment												
Land	2,639.98	-	-	2,639.98	-	-	-	-	-	-	2,639.98	2,639.98
Building	1.57	-	-	1.57	1.47	-	-	1.47	-	-	0.10	0.10
Computer	78.63	10.87	1.43	88.07	78.63	2.41	81.04	550.12	-	-	7.02	-
Plant and Machinery	613.11	5.08	-	613.11	546.34	3.78	486.97	151.99	-	-	62.99	59.73
Office Equipments	159.19	5.08	-	164.27	151.13	0.86	30.19	151.99	-	-	12.28	-
Furniture and Fixture	49.66	-	-	49.66	49.66	-	-	49.66	-	-	0.00	0.00
Vehicle	68.74	-	-	68.74	30.51	4.21	-	34.72	-	-	34.01	38.36
Total Fixed Assets (A)	3,610.88	15.95	1.43	3,625.39	857.75	11.26	-	869.01	-	-	2,756.38	2,738.17
Intangible Assets												
SAP Software	20.01	-	-	20.01	19.35	-	-	19.35	-	-	0.65	0.65
Total Intangible Assets (B)	20.01	-	-	20.01	19.35	-	-	19.35	-	-	0.65	0.65
Total Assets (A+B)	3,630.88	15.95	1.43	3,645.40	877.10	11.26	-	888.36	-	-	2,757.04	2,738.82

Notes :

1. Company has sold Super Phosphate factory (Comprise of Land, Building and Plant & Machinery) amount Rs. 49.81 Crore to Coromandel International Limited during the year, which was given on lease earlier to same company.
2. The above factory are given on operating lease and their cost goes down to scrap value due to completion of asset life value.

Kothari Industrial Corporation Limited

Rs. in Lakhs

4.		31 st March 2024	31 st March 2023
	Non-Current Investments		
	Investments in Equity instruments		
	- 52000 shares of Katiken Logistics Ltd @ Rs. 10 each	5.20	5.20
	- 99,994 shares of Kothari Marine International Limited @ Rs. 10 each	9.99	9.99
	Investment in Kothari's My Park King Solutions Private Limited	0.19	-
	Less: Investment provision	(5.20)	(5.20)
	Total	10.18	9.99
5.		31 st March 2024	31 st March 2023
	Long Term Loans and Advances		
	Secured considered good		
	Capital Advances		
	Security Deposits	979.07	83.66
	Loans and advances to related parties		
	Unsecured considered good/Doubtful	-	-
	Total	979.07	83.66
7.		31 st March 2024	31 st March 2023
	Inventories		
	Work in progress	-	-
	Finished goods	14.83	82.52
	Stock in trade(Land)	51.93	51.93
	Stock in trade	39.00	-
	- Packing Materials	32.99	33.39
	Total	138.75	167.84
Details of Finished Goods Inventory			
7.1	Particulars	31 st March 2024	31 st March 2023
	(i) Goods Manufactured		
	- NPK Mixtures	-	-
	(iii) Details of Traded goods		
	1. Agro Products	0.63	0.89
	2. Micro & Bio Products	0.09	0.17
	3. ST. Fertilizers	6.68	21.58
	4. NPK Mixtures	1.54	1.54
	5. Zinc Sulphate	1.69	-
	6. W.S.Fertilisers	-	-
	7. Rusk Products	-	9.53
	8. Sanitizer Products	-	27.24
	9. Mask Products	-	6.17
	10. Teak	4.15	9.72
	11. Food	-	5.59
	12. Leather	39.00	-
	13. Hil Net & Book	0.06	0.09
	Total	53.83	82.52

Rs. in Lakhs

8.	Particulars	31 st March 2024	31 st March 2023
	Trade receivables		
	Secured, considered good		
	- Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
	- Others Debtors receivable	-	-
	Unsecured, considered good		
	- Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
	- Others Debtors receivable	29.35	548.18
	Debtor provision	(10.27)	(276.64)
	Unsecured, considered doubtful		
	- Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
	Total	19.09	271.54

(i) Trade Receivables ageing Schedule - Year ended 31st March 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	(32.56)	14.61	34.53	3.99	8.78	29.35
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less : Provision for the year ended	-	-	-	-	(10.27)	(10.27)
Total	(32.56)	14.61	34.53	3.99	(1.48)	19.09

(ii) Trade Receivables ageing Schedule - Year ended 31st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 -2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	132.42	(1.19)	(4.68)	62.19	359.44	548.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less : Provision for the year ended	-	-	-	-	(276.64)	(276.64)
Total	132.42	(1.19)	(4.68)	62.19	82.80	271.54

9.		31 st March 2024	31 st March 2023
	Cash and cash equivalents		
	Balances with banks		
	- In current account	86.15	36.51
	other current account	26.87	-
	- Cheques on hand	-	-
	Cash in hand	2.50	1.28
	Total	115.52	37.79

10.		31 st March 2024	31 st March 2023
	Other Financial assets		
	Loans and advances unsecured and considered good	680.05	550.55
	- Advance Income tax	148.92	153.44
	Advance with creditors		
	Total outstanding dues of creditors other than micro and small enterprises	53.09	-
	Total	882.06	703.98

Rs. in Lakhs

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Note No.	Particulars	31 st March 2024		31 st March 2023	
		No. of Shares	Share Capital	No. of Shares	Share Capital
11.	Share Capital				
	Authorized Share capital				
	Equity Shares of Rs. 5 each	500.00	2,500.00	500.00	2,500.00
	Issued Share Capital(Opening Balance)				
	Equity Shares of Rs. 5 each(Opening Balance)	191.11	955.54	191.11	955.54
	Subscribed Share Capital(Opening Balance)				
	Equity Shares of Rs. 5 each	191.11	955.54	191.11	955.54
	Fully Paid up Share Capital(Opening Balance)				
	Equity Shares of Rs. 5 each	191.11	955.54	191.11	955.54
	Equity shares issued during the year	-	-	-	-
	Equity Shares of Rs. 5 each	-	-	-	-
	Less: Reduction of Share Capital as per NCLT Order	66.27	331.35		
	Closing Balance	124.84	624.19	191.11	955.54

(a) Rights, Preferences and restrictions attached to equity shares

Each shareholder is entitled to one vote per share and dividend when declared. Other rights are governed by the Articles of Association of the Company and the Companies Act 2013.

(b)	Details of Shares held by share holders holding more than 5% of the aggregate shares in the company				
		31 st March 2024		31 st March 2023	
		Percentage	No. of Shares	Percentage	No. of Shares
	Equity Shares				
	Mr. Pradip D Kothari	10.94%	13,66,288	17.09%	32,66,288
	A Rabindran Swamidasonon	0.00%	-	13.08%	25,00,000
	Rakesh Garg	0.00%	-	9.63%	18,40,000
	Life Insurance corporation of India	11.79%	14,71,629	7.70%	14,71,629
	Mr. A. Sahabudeen	9.05%	11,29,793	5.91%	11,29,793
	Total		39,67,710		1,02,07,710

Kothari Industrial Corporation Limited

Rs. in Lakhs

(c) Shares held by Promoters and Promoter Group

Sr. No.	Promoter and Promoters group name	As on 31 st March 2024		As on 31 st March 2024		% Change during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	Pradip D. Kothari	13,66,288	10.94	32,66,288	17.09	(6.15)
2	Surekha P. Kothari	1,11,323	0.89	1,11,323	0.58	0.31
3	Maya D. Kothari	76,410	0.61	76,410	0.40	0.21
4	Mitali P. Kothari	1,68,090	1.35	1,68,090	0.88	0.47
5	Piyali P. Kothari	2,03,056	1.63	2,03,056	1.06	0.57
6	Antara P. Kothari	1,80,492	1.45	1,80,492	0.94	0.51
7	Asha Thayer	1,03,890	0.83	1,03,890	0.54	0.29
8	Solaman Investments	3,60,000	2.88	3,60,000	1.88	1.00
9	Kothari & Sons Nominees Pvt. Ltd.,	1,07,526	0.86	1,07,526	0.56	0.30
10	G. Mohan Das	450	-	60,450	0.32	(0.32)
11	N.K. Sukkal	450	-	60,450	0.32	(0.32)
12	N.Ravichandran	60	-	1,00,060	0.52	(0.52)
13	N. Santharam	1	-	5,001	0.03	(0.03)
14	A.R. Raja	1	-	2,001	0.01	(0.01)
15	D. Ravindra Reddy	1	-	60,001	0.31	(0.31)
16	A.RabindranSwamidasonon	-	-	25,00,000	13.08	(13.08)
17	RakeshGarg	-	-	18,40,000	9.63	(9.63)
18	K.Sanathanam	-	-	20,000	0.10	(0.10)
19	T.Sankaran	-	-	40,000	0.21	(0.21)
20	N. Srinivasan	-	-	40,000	0.21	(0.21)
	Total	26,78,038	21.44	93,05,038	48.67	(27.23)

Additional Disclosures
Out of the Paid-up Capital
(i) 22,25,850 Equity Shares of Rs. 10/- each were allotted as fully paid on amalgamation in February 1972 for consideration other than cash.
(ii) 8,29,760 Equity Shares of Rs. 10/- each fully paid were allotted for consideration other than cash to certain financial institutions on conversion of part of secured loans, in the year 1981.
(iii) 20,00,000 Equity Shares of Rs. 10/- each fully paid were allotted for consideration other than cash on 01.10.1983 as per the terms of issue to the holders of 13.5% Convertible Secured Debentures issued to the Public.
(iv) 45,68,200 Equity Shares of Rs. 10/- each were allotted on 25.08.93 as fully paid on part conversion of 16% Secured Partly convertible Redeemable Debentures allotted on 25.02.93.

Rs. in Lakhs

(v) In accordance with the shareholders' consent obtained at the 39th Annual General Meeting held on 14th December 2009, the company allotted 66,27,000 equity shares of Rs. 5/- each, aggregating to Rs. 331.35 lakhs, to promoters and associates on 31st March 2016.

Subsequently, these shares were cancelled based on the order of the National Company Law Tribunal (NCLT) dated 10th May 2023.

(vi) The consent terms filed on 05.03.2000 with the Supreme Court and decreed by the said Court in the matter of share allotment and sale of 5.33 grounds of land effects of the decree has not been considered in the books of accounts of the company, since the consent decree terms are yet to be implemented. A suit has since been filed in Madras High Court for implementation of the scheme.

(vii) During the year, NCLT, Chennai 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. Pursuant to NCLT order on reduction of capital, Promoters and Promoters group holding reduced from 93,05,038 to 26,78,038 shares.

12.		31 st March 2024	31 st March 2023
	Reserves and Surplus		
	Capital Reserves	2,631.90	2,631.90
	Capital Redemption Reserves	349.35	18.00
	Revenue reserves	-	-
	Retained Earnings	-	(2,229.93)
	Fixed Asset Reserves	24.10	-
	Debenture Redemption Reserves	-	-
	Revaluation Reserves	2,164.72	2,164.72
	Deficit	(5,013.79)	(8,293.10)
	Other Share Capital Income	-	-
	Total	156.29	(5,708.40)

12.1		31 st March 2024	31 st March 2023
	Capital Reserves		
	Balance at the beginning of the year	2,631.90	2,631.90
	Transfer from Retained Earnings	-	-
	Balance as at the end of the year	2,631.90	2,631.90

12.2		31 st March 2024	31 st March 2023
	Capital Redemption Reserves		
	Balance at the beginning of the year	18.00	18.00
	Add:- Retained Earnings	331.35	-
	Balance as at the end of the year	349.35	18.00

12.3		31 st March 2024	31 st March 2023
	Retained Earnings		
	Balance at the beginning of the year	(2,229.93)	-
	Add :- Transfer from Revaluation Reserve	-	-
	Less:- Retained Earnings made during the year	2,229.93	(2,229.93)
	Less:- Transfer to Capital Reserves	-	-
	Balance as at the end of the year	-	(2,229.93)

Kothari Industrial Corporation Limited

Rs. in Lakhs

	31 st March 2024	31 st March 2023
12.4		
Revaluation Reserves		
Balance at the beginning of the year	2,164.72	2,164.72
Less: Transfer to Retained Reserve	-	-
Less: Transfer to Retained Reserve	-	-
Balance as at the end of the year	2,164.72	2,164.72
12.5		
Deficit:		
Balance at the beginning of the year	(8,293.08)	(6,302.21)
Add: transfer from revaluation reserve	-	-
Profit/(Loss) for the year	3,279.29	(1,990.86)
Less : Depreciation of prior year 2016 & 17	-	-
Deficit as at the end of the year	(5,013.79)	(8,293.08)
13.		
Long-term borrowings		
Secured		
Term Loans		
- From Banks	21.55	-
- From parveen Road Ways (p) Ltd	-	7,265.80
Unsecured	-	-
Total	21.55	7,265.80
14.		
Provisions		
Non Current - Due to Gratuity	19.94	19.29
Current - Due to Gratuity	5.84	107.26
Total	25.78	126.55
The Company's liability towards Gratuity to employees has been provided in accordance with the Indian Accounting Standard No. 19 on "Retirement Benefits"		
15.		
Other Non current liabilities		
Super Annuation Fund	-	-
Others Leave encashment and Bonus	7.90	-
Total	7.90	-
16.		
Borrowings		
Secured		
Loans repayable on demand		
- from Banks	6.38	-
Unsecured		
Loans repayable on demand		
- from Banks	-	-
- from Promoters	180.95	-
- from Related party	310.52	-
Loan from MD(Related party)	2,811.55	-
Total	3,309.40	-

Rs. in Lakhs

17.		31 st March 2024	31 st March 2023
	Trade Payables		
	Total outstanding dues of micro and small enterprises (refer Note 32)	39.04	5.24
	Total outstanding dues of creditors other than micro and small enterprises	-	115.71
	Total	39.04	120.94

(i) Trade Payable ageing Schedule - year ended 31st March 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
(i) MSME	39.04	-	-	-	39.04
(ii) Others	-	-	-	-	-
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	39.04	-	-	-	39.04

(ii) Trade Payable ageing Schedule - year ended 31st March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
(i) MSME	5.24	-	-	-	5.24
(ii) Others	61.80	41.17	12.74	-	115.71
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	67.04	41.17	12.74	-	120.95

18.		31 st March 2024	31 st March 2023
	Other Financial Liabilities		
	Statutory dues including PF and TDS	430.88	356.98
	Salaries & Wages Payable	135.44	84.57
	Income Tax Provisions	137.24	-
	Others	274.55	1,607.88
	Total	978.11	2,049.43

Kothari Industrial Corporation Limited

Rs. in Lakhs

19.		31 st March 2024	31 st March 2023
	Contingent liabilities and commitments (to the extent not provided for)		
	Contingent liabilities		
	Claims against the company not acknowledged as debt		
	- Disputed sales tax demands under appeal including stay of recovery granted for Rs.854.65 lakhs (Rs.20.50 lakhs paid under protest included under advances) (Based on another Supreme Court order and legal Opinion such demands may not be sustainable)	-	-
	- Others(Exclusive of Interest)	-	145.00
	Guarantees	-	7.00
	Other money for which the company is contingently liable		
	- Differential Customs Duty on Import machinery Availed under export obligation scheme	-	84.07
	Pursuant to an arbitration award dated 30.09.2017 relating to additional electricity dues of Costic Soda plant sold by the Company in the year 1986 . together with interest at 6% p.a.	-	231.37
	Income Tax Liability : For FY 2021-22, creating a contingent liability for income tax Notice of Demand under Section 156 of the Income-Tax Act, 1961.	95.34	-
	Legal Opinion on Land Dispute: the legal opinion on the 5.33 acres land dispute. This dispute concerns the parking area at the Nungambakkam head office and is still pending in court.	882.80	-
	Ennore Land Sale: The company sold the Ennore factory during FY 2023-24. As per Section 50C, the company is required to pay capital gains tax on the fair market value of the property, which is INR 110 crores.	1,284.67	-
	Sub Total	2,262.81	467.44
	Commitments		
	Estimated amount of contracts unexecuted on capital account	-	-
	Uncalled liability on shares and other investments partly paid	-	-
	Other commitments	-	-
	Sub Total	-	-
	Total	2,262.81	467.44

Rs. in Lakhs

20.		31 st March 2024	31 st March 2023
	Revenue from Operations (for companies other than a finance company)		
	Revenue from - Sale of Fertilisers	275.31	321.11
	Revenue from - Sale of Marine Products	-	-
	Other operating revenue *	5.50	12.00
	Royalty Receipts	67.02	213.72
	Revenue from -Sainten and mask&rusk + drone service & Foods	1,015.69	410.80
	Total	1,363.52	957.64

* Operating revenue includes Lease Rental Income

20.1	Particulars	31 st March 2024	31 st March 2023
	(i) Details of Sales (Finished goods)		
	- NPK Mixtures	-	-
	(ii) Details of Sales (Traded goods)		
	- Agro Products	-	0.55
	- Micro & Bio Products	-	2.77
	- ST. Fertilizers	210.10	134.34
	- NPK Mixtures	54.23	182.98
	- Zinc Sulphate	10.99	-
	- Packing Materials	-	0.46
	- W.S. Fertilizers	-	-
	Sub-total	275.31	321.11
	- Rusk, cook, dho products	5.39	27.96
	- Sanitizer Products	11.04	1.58
	hilnet, bookes, scarp & Wood	7.05	13.61
	Cash Discount - Sanitizer	(10.82)	
	Discount - Rusk	(2.34)	
	Sales Return - Rusk & Food	(5.78)	
	Food	633.03	222.16
	Drone services	326.87	145.35
	Service income from leather	51.23	
	Share income	-	0.15
	Total	1,015.69	410.80

21.		31 st March 2024	31 st March 2023
	Other Income		
	Rent received	-	-
	Interest Revised(last year interest)	1,126.66	
	Bank Interest Received	2.52	-
	Discount received	1.41	-
	Sales of Fixed asset and land	4,967.16	
	Provisions no longer Required	85.33	-
	Assets and Liabilities written back	-	-
	- Other Income	134.68	73.48
	Total	6,317.75	73.48

Kothari Industrial Corporation Limited

Rs. in Lakhs

23.		31 st March 2024	31 st March 2023
	Changes in inventory of finished goods and Work in progress		
	(Increase)/decrease in stock:		
	Stock at the end of the year:		
	Finished goods	86.82	115.91
	Land held as stock-in-Trade	51.93	51.93
	Total A	138.75	167.84
	Stock at the beginning of the year:		
	Finished goods	115.91	97.14
	Land held as stock-in-Trade	51.93	51.93
	Total B	167.84	149.07
	Total	29.08	(18.77)

Note : Stock-in-trade includes land located in Conoor, valued at a cost of Rs 51.93 lakhs. The valuation of this land is based on the historical cost method. This cost-based valuation reflects the purchase price and any related costs incurred to acquire the land. There has been no revaluation or impairment of the land in the current financial period.

24.		31 st March 2024	31 st March 2023
	Employee Expense		
	Salaries and wages	757.77	241.47
	Gratuity	18.36	8.80
	Contribution to PF	40.18	7.71
	Expense on Employees stock option scheme (ESOP) and Employee stock purchase plan (ESPP)	-	-
	Staff welfare expenses	45.44	30.69
	Total	861.74	288.67

25.		31 st March 2024	31 st March 2023
	Finance Costs		
	Interest	270.92	1,134.61
	Other borrowing costs	-	-
	Applicable net gain/ loss on foreign currency transactions/ translation	-	-
	Total	270.92	1,134.61

Rs. in Lakhs

26.		31 st March 2024	31 st March 2023
	Other Expenses		
	Consumption of stores and Packing Materials	-	-
	Power and fuel	40.00	28.72
	Rent	191.79	122.46
	Audit Fees		
	- Statutory Audit	3.00	3.00
	- Tax Audit	0.50	0.25
	- Other Audit	-	0.45
	Repairs to buildings	16.33	16.82
	Repairs others	79.44	31.08
	Director Sitting Fee	0.11	0.22
	Insurance	-	1.86
	Rates & Taxes	2.29	0.28
	Travelling expenses	111.62	140.11
	Telephone expenses	7.48	7.65
	Postage & Courier	12.92	0.76
	Conveyance	36.08	26.38
	Security charges	30.58	18.05
	Printing & Stationery	6.53	4.97
	Professional Charges	167.80	75.12
	Bank charges	(0.33)	1.95
	Duty Draw Back & Creditors Written back	0.26	-
	Selling Expenses	165.49	155.47
	Advance Written off-	35.07	-
	Office Maintenance	36.20	35.71
	Other Manufacturing expenses	15.14	16.79
	Provision for Debtors	10.27	-
	Other Expenses	610.90	143.10
	Total	1,579.46	831.21

27.		31 st March 2024	31 st March 2023
	Exceptional Items		
	Profit / (Loss) on sale of Assets	-	-
	Provision for Expenses	-	(230.00)
	Total	-	(230.00)

Kothari Industrial Corporation Limited

Rs. in Lakhs

28.	Related Parties Disclosure: Particulars of transaction with related parties		
	Description	31 st March 2024	31 st March 2023
	(a) Remuneration with Key Managerial Personnel		
	Mr. Vijayaraghavan	6.76	-
	Mr. Hari Kishore	7.69	-
	Mr. N Balajee	-	6.93
	Mr. Anil Kumar Padhiali	11.31	8.53
		25.75	15.46
	(b) Payment to Directors (Sitting Fees)		
	Mr. D Gunasekaran	0.11	0.21
	Total	0.11	0.21

Name of the Key Management Personnel and Directors:

- (i) Mr Rafiq Ahmed - Managing Director
No remuneration was paid to Managing director
- (ii) Pradip D Kothari - Chairman
- (iii) Dilip Machado - Independent Director
- (iv) Gunasekaran - Independent Director
- (v) T A Raja Laxmi - Non independent Director
- (vi) Mr Anil Kumar Padhiali - Company Secretary (Appointed w.e.f. 19-03-2018)
- (vii) Mr. N Balajee- CFO (Appointed w.e.f 01.12.2022 and resigned w.e.f 24.04.2023)
- (viii) Mr. S Vijayaraghavan - Chief Financial Officer (Appointed w.e.f. 25-05-2023 and resigned on 06-02-2024)
- (ix) Mr Hari Kishore - Chief Financial Officer (Appointed w.e.f. 14-02-2024)

Related parties under IND AS 24 with whom transactions have taken place during the year:

Name of the Related Party	Nature of relationship
Gemini Fertilizers	Mr. Rafiq Ahmed, Managing director of the company is sole proprietor of Gemini fertilizer
Rafiq Ahmed	Mr. Rafiq ahmed is Managing direrctor of the company.
Gemini Legal Consultancy Private Limited	Mr. Rafiq Ahmed, Managing director of the company was director in the related party company.
Kothari's My Park King Solutions Private Limited	Mr. Rafiq Ahmed, Managing director of the company is director in the related party company.
Gemini Iron And Steels Private Limited	Mr. Rafiq Ahmed, Managing director of the company was director in the related party company.
Phoenix Kothari Footwear Limited	Mr. Rafiq Ahmed, Managing director of the company is director in the related party company.
Top guard International Security Force Private Limited	Mr. Rafiq Ahmed, Managing director of the company is director in the related party company.
Parveen Roadways Private Limited	Mr. Rafiq Ahmed, Managing director of the company is director in the related party company.
Flyeasy Aviation Services Private Limited	Mr. Rafiq Ahmed, Managing director of the company is director in the related party company.
Kothari Marine International Limited	Mr. Pradip D Kothari is director in the related party company.

Rs. in Lakhs

Nature of Transaction	31st March 2024	31st March 2023
a) Transaction during the year		
<u>Lunch Sales</u>		
JR One Kothari Footwear Private Limited	24.16	-
Top guard International Security Force Private Limited	5.00	-
<u>Maintenance Services</u>		
Phoenix Kothari Footwear Limited	71.76	-
<u>Financial Costs & Other receivables</u>		
Parveen Roadways Private Limited	-	1,125.51
Rafiq Ahmed - Managing Director	184.64	-
<u>Security Charges</u>		
Top guard International Security Force Private Limited	30.58	18.05
b) Balances outstanding as at year end		
<u>Investment</u>		
Kothari Marine International Limited	9.99	9.99
Kothari's My Park King Solutions Private Limited	0.19	-
<u>Security Deposit</u>		
Parveen Roadways Private Limited	795.83	-
<u>Loans & Advances</u>		
Parveen Roadways Private Limited	151.31	-
Kothari's My Park King Solutions Private Limited	18.75	-
Flyeasy Aviation Services Private Limited	0.05	-
Kothari (Madras) International Limited	575.29	-
<u>Trade Receivables</u>		
Gemini Legal Consultants Private Limited	15.65	15.65
Phoenix Kothari Footwear Limited	6.23	-
<u>Trade Payables</u>		
Gemini Fertilizers	87.12	63.54
Top Guard International Security Force Private Limited	39.04	5.24
<u>Loan</u>		
Parveen Roadways Private Limited	-	7,265.80
Rafiq Ahmed - Managing Director	2,811.55	964.50
<u>Advance payable</u>		
Parveen Roadways Private Limited	-	7.91
Kothari Marine International Limited	8.77	9.04
Gemini Iron and Steel Private Limited	72.09	290.63
<u>Recoverable</u>		
Gemini Karma International Services Private Limited	-	131.65
Top Guard International Security Force Private Limited	-	4.09

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Rs. in Lakhs

29.	Earnings / (Loss) per Share - Calculation of weighted average number of Equity Shares of Rs. 5 each:		
	Particulars	31st March 2024	31st March 2023
	Number of shares of Rs. 5/- each	1,24,83,885.00	1,91,10,885.00
	Basic & Diluted Earnings(in Rupees) per Share	26.27	(10.42)

30. Ratio Analysis

S.No.	Particulars	31 st March 2024	31 st March 2023	% of changes	Reason for variance
1	Current Ratio Current Assets/Current Liabilities	0.24	0.53	(0.54)	Due to increase in liabilities
2	Debt Equity Ratio Outside Liabilities/Equity	6.96	9.88	(0.30)	Decrease in D/E ratio is due to increase in other payables in current liabilities and decrease in share capital
3	Debt Service Coverage Ratio Net Operating Income/Debt Obligation	12.79	-0.73	(18.46)	Due to increase in profit DSCR becomes positive
4	Return On Equity Ratio Net Profit After Tax/Paid Up Capital	25.39	-10.34	(3.45)	Due to increase in profit ROE becomes positive
5	Inventory Turnover Ratio Cost Of Goods Sold/Inventory	8.42	3.75	1.24	Due to increase in revenue from operation
6	Trade Receivables Turnover Ratio Sales/Receivables	9.38	3.86	1.43	Due to increase in revenue from operation
7	Trade Payable Turnover Ratio Ratio Purchases/Trade Payables	11.40	2.87	2.98	Due to increase in operation purchase cost increases
8	Net Capital Turnover Ratio Net Sales/Average Working Capital	-0.42	-0.95	(0.56)	Due to increase in liabilities
9	Net Profit Ratio Net Profit After Tax/Net Sales	2.32	-2.06	(2.13)	Due to increase in revenue from operation
10	Return On Capital Employed EBIT/Capital Employed	2.05	-0.28	(8.34)	Due to increase in profit ROCE becomes positive
11	Return On Investments Net Profit After Tax/Investments	311.33	-197.88	(2.57)	Due to increase in profit ROI becomes positive and as investments are less, ROI is more than 100%

31. Employee Benefit Obligations

(a) Defined Contribution Plan

The Company makes provident fund contributions to the fund maintained with the office of Regional Provident Fund Commissioner. The company has recognized Rs. 40,17,763/- (Previous year Rs. 7,70,730/-) in the Statement of Profit and Loss under 'Contribution to provident and other funds'.

(b) Defined Benefit Plan

The Company has a gratuity benefit plan applicable to all employees. Employees are eligible for gratuity as per the provisions of the Payment of Gratuity Act, 1972, with a vesting period of five years of service, on resignation, retirement or death.

The following tables summarize the components of the net benefit expenses recognized in the Statement of Profit and Loss and the unfunded status and amounts recognized in the balance sheet for the gratuity benefit plan.

(Rs in Lakhs)

Particulars	31 st March 2024	31 st March 2023
Change in Present Value of Obligation		
Present value of DBO at beginning of the year	126.55	103.75
Interest Cost	9.11	6.91
Current Service Cost	9.25	1.88
Past service cost - Vested Benefits	-	-
Benefits Paid	(9.17)	-
Actuarial (gain)/loss on obligation	(109.96)	14.00
Present value of the obligation at the end of the year	25.78	126.55
Change in Plan Assets		
Plan assets at year beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Fair value of Plan Assets at the end of the year	-	-
Particulars	31 st March 2024	31 st March 2023
Amounts Recognized in the Balance Sheet:		
Present value of obligation as at the end of the year	25.88	126.55
Fair value of plan assets as at the end of the year	-	-
Net Obligation at the end of the year	25.88	126.55
Net asset / (liability) recognized - Current	5.84	107.26
Net asset / (liability) recognized - Non - Current	19.94	19.29
	25.78	126.55
Net gratuity cost for the year ended		
Current Service Cost	9.25	1.88
Interest Cost	9.11	6.91
Expected return on plan assets	-	-
Past Service Cost (Vested benefit) Recognized	-	-
Net Actuarial (gain)/loss recognized	(109.96)	14.00
Net gratuity cost recognized in the Statement of Profit and Loss	(91.60)	22.80
Actuarial Assumptions		
Discount Rate	0.07	0.07
Salary escalation rate	0.10	0.06

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(C) Other employee benefits

Compensated Absences: The Company provides for the encashment of leave or leave with pay to employees. The employees are entitled to accumulate leave subject to certain limits, for future availment/ encashment. The liability is provided based on the number of days of unutilized days of leave at each Balance sheet date on the basis of year-end actuarial valuation using projected unit credit method. The scheme is unfunded.

(Rs in Lakhs)

Particulars	31 st March 2024	31 st March 2023
Liability at the beginning of the year	-	-
Leave salary cost accounted for the year (Net)	1.83	-
Total Liability as at the end of the year	1.83	-

Note : Refer Note No.14 for Provisions and Note No.15 Other Non current liabilities

32. Notes to the Standalone financial statements

Year ended 31 March 2024 (Rs. In Lakhs)	Fertilizers	Drone	FMCG	Hotel	Leather	Total reportable segments	Others (HO)	Total
External revenues	276.72	329.32	16.70	608.92	51.23	1,282.89	1,431.22	2,714.12
Inter-segment revenue	-	-	-	-	-	-	-	-
Segment revenue	276.72	329.32	16.70	608.92	51.23	1,282.89	1,431.22	2,714.12
Segment profit (loss) before tax	(14.01)	(18.17)	(43.12)	(193.22)	(501.28)	(769.81)	4,049.08	3,279.27
Interest income	-	2.45	-	-	-	2.45	0.06	2.52
Interest expense	-	-	-	-	-	-	270.92	270.92
Depreciation and amortization	-	-	-	-	-	-	-	-
Segment assets	1,889.86	(10.40)	(12.20)	(254.44)	(348.36)	1,264.47	3,897.77	5,162.24
Segment liabilities	102.74	153.49	106.18	(12.77)	286.18	635.82	3,745.96	4,381.78

Year ended 31 March 2023 (Rs. In Lakhs)	Fertilizers	Drone	FMCG	Hotel	Leather	Total reportable segments	Others (HO)	Total
External revenues	321.11	143.47	332.38	222.16	-	1,019.12	12.00	1,031.12
Inter-segment revenue	-	-	-	-	-	-	-	-
Segment revenue	321.11	143.47	332.38	222.16	-	1,019.12	12.00	1,031.12
Segment profit (loss) before tax	(9.43)	(150.81)	(668.41)	(48.45)	-	(877.10)	(1,113.76)	(1,990.86)
Interest income	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	1,134.61	1,134.61
Depreciation and amortization	(0.11)	1.13	-	0.70	-	1.71	9.55	11.26
Segment assets	424.29	261.85	61.51	39.77	-	787.42	4,022.46	4,809.88
Segment liabilities	425.90	420.92	136.73	88.23	-	1,071.78	8,490.94	9,562.72

Operating segments
Reconciliations of information on reportable segments to the amounts reported in the financial statements

Particulars	31 st March 2024	31 st March 2023
i. Revenues		
Total revenue for reportable segments	1,282.89	1,019.12
Revenue for other segments	1,431.22	12.00
Elimination of inter-segment revenue	-	-
Elimination of discontinued operations	-	-
Consolidated revenue	2,714.12	1,031.12
ii. Profit before tax		
Total profit before tax for reportable segments	(769.81)	(877.10)
Profit before tax for other segments	4,049.08	(1,113.76)
Elimination of inter-segment profit	-	-
Elimination of discontinued operation	-	-
Consolidated profit before tax from continuing operations	3,279.27	(1,990.86)
iii. Assets		
Total assets for reportable segments	1,264.47	787.42
Assets for other segments	3,897.77	4,022.46
Consolidated total assets	5,162.24	4,809.88
iv. Liabilities		
Total assets for reportable segments	635.82	1,071.78
Assets for other segments	3,745.96	8,490.94
Consolidated total liabilities	4,381.78	9,562.72

Reconciliations of information on reportable segments to the amounts reported in the financial statements
Other material items

Year ended 31 st March 2024	Reportable segment totals	Adjustments	Consolidated totals
Interest income	2.52	-	2.52
Interest expense	270.92	-	270.92
Depreciation and amortization	-	-	-
Year ended 31 st March 2023	Reportable segment totals	Adjustments	Consolidated totals
Interest income	-	-	-
Interest expense	1,134.61	-	1,134.61
Depreciation and amortization	11.26	-	11.26

33. In accordance with IND AS 12 - "Income Taxes", the company has recognized a deferred tax asset amounting to INR 45,39,133/-. This recognition is based on the reasonable certainty of the availability of future taxable profits against which this deferred tax asset can be utilized.
34. With respect to the pending litigations, the company has not provided for additional financial commitment over and above the amount due and appearing in the books of accounts to the various litigations.
35. The figures in brackets relate to Previous year and regrouped / reclassified to confirm to the requirements of schedule III.

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36. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities (“intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“ultimate beneficiaries”) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries as per Clause (e)(i) of Rule 11 of Companies Audit and Auditors Rules, 2014.
37. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding parties”), with the understanding, whether recorded in writing or otherwise, the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries as per Clause (e)(ii) of Rule 11 of Companies Audit and Auditors Rules, 2014.

As per our Report of even date attached

**For Ray & Ray
Chartered Accountants
Regn.No.301072E**

**V. Raman
Partner
Membership No.019839
Place: Chennai
Date : 29.05.2024**

For and on behalf of the Board of Directors

**Dilip Machado
Director
DIN : 06895289**

**Anil Kumar Padhiali
Company Secretary**

**J. Rafiq Ahmed
Vice Chairman &
Managing Director
DIN : 02861341**

**Hari Kishore
Chief Financial Officer**

Other Informations:

- 1. Going Concern Disclosure :** The financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.
- 2. IND AS 113 – Fair Value Measurement :** The Company has applied IND AS 113 to measure the fair value of its financial instruments and other assets as required. The fair value hierarchy used for measurement and disclosures is in accordance with the prescribed levels in IND AS 113.

- 3. Trade Receivables Aging Schedule :** The trade receivables aging schedule is as follows:

Less than 6 months: ₹ -32.56 Lakhs
6 months – 1 year: ₹ 14.61 Lakhs
1 year – 2 years: ₹ 34.53 Lakhs
More than 2 years: ₹ 2.51 Lakhs

- 4. Trade Payables Aging Schedule :** The trade payables aging schedule is as follows:

Less than 1 year: ₹ 39.04 Lakhs
1 year – 2 years: Nil
More than 2 years: Nil

- 5. Financial Risk Management :** The Company is exposed to various financial risks, including market risk, currency risk, credit risk, and liquidity risk. The Company's risk management framework is designed to identify and mitigate these risks:

Market Risk : The Company manages market risk through diversification and hedging strategies.

Currency Risk : Exposure to currency risk is managed through forward contracts and natural hedges.

Credit Risk : The Company manages credit risk by setting credit limits and monitoring the creditworthiness of customers.

Liquidity Risk : The Company maintains sufficient cash and liquid investments to meet its obligations.

- 6. IND AS 19 – Employee Benefits :** The Company has made the following disclosures as per IND AS 19:

Investment Risk : The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields on government bonds at the end of the reporting period.

Interest Rate Risk : A decrease in the bond interest rate will increase the plan liability.

Salary Risk : Higher-than-expected salary increases will increase the defined benefit obligation.

Longevity Risk : The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants.

Attrition Rate : The actuarial assumption for employee attrition is based on the Company's past history.

Expected Rate of Return on Plan Assets : The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the fund during the estimated term of the obligation.

- 7. Additional Disclosures :**

- a) The Company does not have any benami property, and no proceedings have been initiated or are pending against the Company.
- b) The Company has not traded or invested in cryptocurrency or virtual currency during the financial year.

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- c) The Company has not advanced, loaned, or invested funds to any entity with the understanding that they will lend, invest, or provide guarantees on behalf of ultimate beneficiaries.
- d) The Company has not received any funds from any entity with the understanding that the Company will lend, invest, or provide guarantees on behalf of ultimate beneficiaries.
- e) The Company does not have any transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year under the Income Tax Act, 1961.
- f) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013.
- g) The Company has not been declared a wilful defaulter by any bank, financial institution, or lender during the year.
- h) The Company does not have any charges or satisfaction pending for registration with ROC beyond the statutory period.
- i) Quarterly returns or statements of current assets filed with banks or financial institutions are in agreement with the books of accounts.
- j) The Company has used the borrowings from banks and financial institutions for the specific purpose for which they were obtained.
- k) The title deeds of all immovable properties disclosed in the financial statements are held in the name of the Company as at the balance sheet date.
- l) The Company does not have any transactions with companies that have been struck off.
- m) The Indian Parliament has approved the Code on Social Security, 2020, which may impact contributions towards Provident Fund and Gratuity. The Company will assess the impact and provide appropriate disclosures once the corresponding rules are notified.

8. Financial Assets – Investment at Fair Value Through OCI : These equity shares are designated as FVTOCI to reflect the Company's intention to hold these investments for strategic purposes rather than for trading. This designation is made to avoid volatility in the profit or loss statement due to changes in market value.

9. Payment to Auditors : The payment to auditors for the financial year is as follows:

Statutory Audit: ₹ 300,000/-

Tax Audit: ₹ 50,000/-

Other Services: NIL

10. Category-wise Classification of Financial Instruments:

Financial Assets Measured at Amortized Cost: NIL

Financial Assets Measured at FVTPL: ₹ 999,940/-

Financial Assets Measured at FVTOCI: NIL

Financial Liabilities Measured at Amortized Cost: NIL

11. No Significant Changes:

- a. There have been no changes in the composition of the entity during the period.
- b. There have been no business combinations, obtaining or losing control of subsidiaries, or other long-term investments during the period.
- c. No restructuring activities have been undertaken, and no related costs have been provided for or reversed during the period. There have been no discontinued operations during the period.

- 12. No Dividends Paid** : No dividends have been paid during the period ended.
- 13. No Transfers Between Levels of Fair Value Hierarchy** : There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments during the period.
- 14. No Changes in Classification of Financial Assets** : There have been no changes in the classification of financial assets into those at amortized cost, fair value through OCI, or fair value through P&L, during the period.
- 15. No Correction of Prior Period Errors** : There has been no correction of prior period errors during the period.
- 16. Capital Management – Debt-Equity Ratio** : The Company’s capital management strategy focuses on maintaining a healthy debt-equity ratio. As at the end of the period, the debt-equity ratio is 6.96.
- 17. Appointment of Company Secretary** : The Company Secretary of the Company was appointed from 19-03-2018. Prior to this, the position remained vacant.
- 18. Approval of Financial Statements** : The financial statements were approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 29-05-2024.

Kothari Industrial Corporation Limited

UDIN : 24019839BKBZQY5504

Independent Auditor's Report

To the Members of

KOTHARI INDUSTRIAL CORPORATION LIMITED

Qualified Opinion

We have audited the accompanying consolidated financial statements of **KOTHARI INDUSTRIAL CORPORATION LIMITED ("the Company")** and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2024, the consolidated Profit and total consolidated comprehensive income, changes in equity and its consolidated cash flows for the year ended on that date *except for the matters as discussed in the basis of opinion para.*

Basis for Qualified Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements

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 (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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.
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.

Continued...

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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Principal Audit Procedure
The Evaluation of the Company as a going concern and the consequent classification of the assets as “held for sale”	The Company has been making losses in the previous years which has eroded the networth and the current liabilities exceeds the current assets. The Company is in the process of expansion of business and has entered into business contracts with various customers in India and abroad. The Company has provided for our verification the contracts in support of the assumption of going concern on the basis of which the accompanying consolidated financial statements have been drawn.

MANAGEMENT’S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of

adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing

Kothari Industrial Corporation Limited

the consolidated financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 statements.

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 statements, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act,

we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 auditor's report to the related disclosures in the consolidated financial 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 matters

We did not audit the financial statements of the subsidiary Kothari Marine International Limited, whose financial statements reflect total assets of Rs. 9.17 Lakhs as at 31st March, 2024, total revenues of Rs. Nil Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. Our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the financial statements prepared by the subsidiary and audited by the other auditor. Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below are formed and prepared in conjunction with the matters as mentioned above.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act. We are unable to comment on the disqualification of the directors of the subsidiary company as the audit report of the subsidiary has not been furnished to us.
 - f. In our opinion and to the extent of information made available to us, no managerial remuneration for the year ended 31st March 2024 has been paid/provided by the Company in accordance with the provisions of Section 197 read with Schedule V to the Act. We are unable to comment on the remuneration paid to the directors of the subsidiary company as the audit report of the subsidiary has not been furnished to us.
 - g. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (1!) of Section 143 of the Act, as required in Clause 3(xxii), we are unable to comment on qualifications or adverse comments in the audit report of the subsidiary.
 - h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 19 of the consolidated financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Kothari Industrial Corporation Limited

- j. In our opinion and to the best of our knowledge and belief and as represented to us by the respective Managements of the Parent company, as disclosed in the Note No. 34 to the consolidated financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities (“intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“ultimate beneficiaries”) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries as per Clause (e)(i) of Rule 11 of Companies Audit and Auditors Rules, 2014. We are unable to comment on this for the Subsidiary as no report of the other auditor was furnished to us.
- k. In our opinion and to the best of our knowledge and belief and as represented to us by the respective Parent company, as disclosed in the Note No. 34 to the consolidated financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding parties”), with the understanding, whether recorded in writing or otherwise, the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries as per Clause (e)(ii) of Rule 11 of Companies Audit and Auditors Rules, 2014. We are unable to comment on this for the Subsidiary as no report of the other auditor was furnished to us.
- Based on such audit procedures as considered reasonable by us, we have not come across anything to believe that the representations made by the Company for Clause (i) & (j) as above contain any material misstatement. We are unable to comment on this for the Subsidiary as no report of the other auditor was furnished to us.
- l. No dividend has been declared or paid by the Company during the year.
- m. According to the information and explanations provided to us, the Company has maintained its books of accounts in an accounting software that does not maintain a feature to view the audit trail (edit log). Hence, we were unable to examine the edit log in the accounting software maintained by the Company. However, in our opinion, except for the matters stated in the basis of opinion para, proper books of accounts stating the true and fair state of affairs of the Company as required under Section 128(1) of the Companies Act 2013 has been maintained by the Company for the financial year ended 31st March 2024.

Place : Chennai
Dated : 29.5.2024

For **M/s. ARay & Ray**
Chartered Accountants
Firm Reg. No. 301072E
(V. Raman)
Partner
Membership No. 019839

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(h) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **KOTHARI INDUSTRIAL CORPORATION LIMITED** (“the Parent”) and its subsidiary as of March 31, 2024 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary company incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary company, incorporated in India, based on our audit. We conducted our audit in accordance with

the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting. We are unable to comment on this for the Subsidiary as no report of the other auditor was furnished to us.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

Kothari Industrial Corporation Limited

accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Place : Chennai
Dated : 29.5.2024

Opinion

In our opinion, to the best of our information and according to the explanations given to us and except for the following points as highlighted in the internal audit report, the Parent Company has adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

- A) No limit is fixed for imprest cash provided to the Branches for day-to-day working expenses. There is irregular frequency of obtaining imprest cash.
- B) Company has many non-operating bank accounts in the books of accounts.

We are unable to comment on this for the Subsidiary incorporated in India as no report of the other auditor was furnished to us.

For **M/s. Ray & Ray**
Chartered Accountants
Firm Reg. No. 301072E
(V. Raman)
Partner
Membership No. 019839

KOTHARI INDUSTRIAL CORPORATION LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2024
Rupees in Lakhs

Particulars	Note No	As at 31 st March 2024	As at 31 st March 2023
(I) ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3	2,969.06	2,753.81
(b) Capital work-in-progress	3	-	-
(c) Other Intangible assets		3.11	3.22
(d) Intangible assets under development		-	-
(e) Financial Assets			
(i) Investments	4	0.19	83.66
(ii) loans and advances	5	979.07	778.07
(f) Deferred tax asset	6	45.39	-
(g) Other Non current assets		-	-
CURRENT ASSETS			
(a) Inventories	7	138.75	167.84
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	8	19.09	271.54
(iii) Cash and cash equivalents	9	2.50	1.28
(iv) Bank balances other than cash and cash equivalents as above	9	113.02	36.51
(v) Other Financial assets	10	882.46	704.44
(c) Current tax assets (net)		-	-
(d) Other urrent assets		-	-
TOTAL ASSETS		5,152.64	4,800.38
(II) EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	624.19	955.54
(b) Other Equity	12	155.00	(5,709.27)
Equity		779.19	(4,753.74)
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	21.55	7,265.80
(ii) Other Financial liabilities		-	-
(b) Provisions	14	19.94	19.29
(c) Deferred tax Liabilities (Net)		-	-
(d) Other non-current liabilities	15	7.90	-
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	16	3,309.40	-
(ii) Trade payables - Others	17		
Micro & small enterprises		39.04	5.24
Other than micro & small enterprises		-	115.71
(iii) Other Financial liabilities	18	969.78	2,040.82
(b) Other Current liabilities		-	-
(c) Provisions	14	5.84	107.26
(d) Current Tax Liability (Net)		-	-
TOTAL EQUITY AND LIABILITIES		5,152.64	4,800.38
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES			
CONTINGENT LIABILITIES			
2			
19			

The accompanying notes are an integral part of the consolidated Ind AS financial statements

As per our Report of even date attached

For Ray & Ray
Chartered Accountants
Regn.No.301072E
V. Raman
Partner
Membership No.019839
Place: Chennai
Date : 29.05.2024
For and on behalf of the Board of Directors
Dilip Machado
Director
DIN : 06895289
J. Rafiq Ahmed
Vice Chairman &
Managing Director
DIN : 02861341
Anil Kumar Padhiali
Company Secretary
Hari Kishore
Chief Financial Officer

Kothari Industrial Corporation Limited

Consolidated Statement of Profit and Loss for the year ended 31st March, 2024

Particulars	Note No	Rupees in Lakhs	
		For the year ended 31 st March 2024	For the year ended 31 st March 2023
Revenue from operations	20	1,363.52	957.64
Other Income	21	1,350.60	73.48
		<u>2,714.11</u>	<u>1,031.12</u>
Expenses:			
Cost of materials consumed		-	-
Purchase of Stock-in-Trade	22	882.74	531.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	29.08	(18.77)
Employee benefits	24	861.74	288.67
Financial costs	25	270.92	1,134.61
Depreciation and amortization expense	3	24.88	11.26
Other expenses	26	1,579.81	831.49
		<u>3,649.17</u>	<u>2,778.26</u>
Profit / (Loss) before exceptional items and tax		(935.06)	(1,747.14)
Exceptional Items	27	-	-
- Profit / (Loss) on sale of asset		4,967.16	-
- Provision for Expenses		-	(230.00)
Profit / (Loss) before tax		4,032.10	(1,977.14)
Tax expense:			
(1) Current tax		130.49	-
(2) Deferred tax		732.64	-
Profit / (Loss) for the period of continuing operation		<u>3,168.97</u>	<u>(1,977.14)</u>
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit / (Loss) from discontinued operations (after tax)		-	-
Profit / (Loss) for the period		<u>3,168.97</u>	<u>(1,977.14)</u>
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		109.96	(14.00)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(iii) Items that will be reclassified to profit or loss		-	-
(iv) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period (Comprising Profit/(Loss) for the period and Other Comprehensive Income for the period)		3,278.92	(1,991.14)
Earning per equity share (for continuing operation):			
(1) Basic EPS	29	26.27	(10.42)
(2) Diluted EPS		26.27	(10.42)
(3) Revised EPS		26.27	(15.05)
Earning per equity share (for discontinuing operation):			
(1) Basic EPS	29	-	-
(2) Diluted EPS		-	-
(3) Revised EPS		-	-
Earning per equity share (for discontinued and continuing operation):			
(1) Basic EPS		26.27	(10.42)
(2) Diluted EPS		26.27	(10.42)
(3) Revised EPS		26.27	(15.05)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2

The accompanying notes are an integral part of the consolidated Ind AS financial statements

As per our Report of even date attached

For Ray & Ray
Chartered Accountants
Regn.No.301072E

V. Raman
Partner
Membership No.019839
Place: Chennai
Date : 29.05.2024

For and on behalf of the Board of Directors

Dilip Machado
Director
DIN : 06895289

J. Rafiq Ahmed
Vice Chairman &
Managing Director
DIN : 02861341

Anil Kumar Padhiali
Company Secretary

Hari Kishore
Chief Financial Officer

Rs. in Lakhs

A) EQUITY SHARE CAPITAL				
(i) Year ended 31st March, 2024				
Balance as at April 1, 2023	Changes in Equity Share Capital due to Prior period errors	Restated balance - beginning of the current reporting period	Changes in equity Share capital during the current year	Balance as at March 31, 2024
955.54	-	-	331.35	624.19

(ii) Year ended 31st March, 2023				
Balance as at April 1, 2022	Changes in Equity Share Capital due to Prior period errors	Restated balance at the beginning of the previous reporting period	Changes in equity Share capital during the previous year	Balance as at March 31, 2023
955.54	-	-	-	955.54

Equity shares of Rs. 5 each issued, subscribed and fully paid (Refer Note No. 11a)

	31 st March 2024		31 st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Balance as at the beginning of the year	1,91,10,885	9,55,54,425	1,91,10,885	9,55,54,425
Add: Shares issued during the year	-	-	-	-
Less: Reduction in Share capital	(66,27,000)	(3,31,35,000)	-	-
Balance as at the end of the year	1,24,83,885	6,24,19,425	1,91,10,885	9,55,54,425

B) OTHER EQUITY
Current Year 2023 - 24

Particulars	Reserves and Surplus								Total
	Capital Reserve	Capital Redemption Reserve	Fixed Asset Reserve	Revaluation Reserve	Retained Earnings	Profit and Loss	Remeasurement Gain of Employee Benefit Obligation		
Balance as at April 1, 2023	2,631.90	18.00	-	2,164.72	(2,229.93)	(8,293.97)	-	(5,709.28)	
Profit/(Loss) for the year	-	-	24.10	-	-	-	-	24.10	
Other Comprehensive Income	-	-	-	-	-	-	-	-	
Transfer from / to retained earning	-	-	-	-	-	-	-	-	
Transfer from / to Profit and Loss A/c	-	-	-	-	-	3,279.28	-	3,279.28	
Transfer from Equity Share Capital	-	331.35	-	-	-	-	-	331.35	
Other Adjustment	-	-	-	-	2,229.93	(1.27)	-	2,228.66	
Dividend distribution tax paid	-	-	-	-	-	-	-	-	
Balance as at March 31, 2024	2,631.90	349.35	24.10	2,164.72	0.00	(5,015.96)	-	154.11	

Kothari Industrial Corporation Limited

Rs. in Lakhs

Previous Year 2022 - 23

	Reserves and Surplus							Total
	Capital Reserve	Capital Redemption Reserve	Fixed Asset Reserve	Revaluation Reserve	Retained Earnings	Profit and Loss	Remeasurement Gain of Employee Benefit Obligation	
Balance as at April 1, 2022	1,415.76	18.00	-	3,380.86	(3,446.06)	(12,640.51)	-	(11,271.95)
Profit (Loss) for the year	-	-	-	-	-	4,346.54	-	4,346.54
Other Comprehensive Income	-	-	-	-	-	-	-	-
Transfer from/to retained earning	1,216.14	-	-	-	1,216.14	-	-	2,432.27
Transition Adjustments made during previous year	-	-	-	(1,216.14)	-	-	-	(1,216.14)
Dividend declared and paid during the year	-	-	-	-	-	-	-	-
Dividend distribution tax paid	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	2,631.90	18.00	-	2,164.72	(2,229.93)	(8,293.97)	-	(5,709.28)

As per our Report of even date attached

For Ray & Ray
Chartered Accountants
Regn.No.301072E

V. Raman
Partner
Membership No.019839
Place: Chennai
Date : 29.05.2024

For and on behalf of the Board of Directors

Dilip Machado
Director
DIN : 06895289

J. Rafiq Ahmed
Vice Chairman &
Managing Director
DIN : 02861341
Hari Kishore
Chief Financial Officer

Anil Kumar Padhiali
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

	31 st March 2024 Rs. Lakhs	31 st March 2023 Rs. Lakhs
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/(LOSS) BEFORE TAX	(935.06)	(1,747.14)
Add :		
Net Depreciation	<u>24.88</u>	<u>11.26</u>
	(910.18)	(1,735.88)
Add / Less :		
Finance cost	-	1,134.61
Provision Long Term	0.65	(230.00)
Duty draw back & Creditors written back	0.26	-
Interest received	(1,126.66)	-
Bank Interest	(2.52)	-
Discount Received	(1.41)	-
Profit On Sale Of Asset	(4,967.16)	-
Provision No Longer Required	(85.33)	-
Other Income	(134.68)	904.61
	<u>(6,316.85)</u>	<u>(831.27)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	(7,227.04)	
MOVEMENT IN WORKING CAPITAL :		
(Increase) / Decrease in Inventories	29.08	54.45
(Increase) / Decrease in Trade Receivables	252.45	(46.38)
(Increase) / Decrease in Financial Assets	(178.02)	(182.23)
Increase / (Decrease) in Provisions	(101.41)	-
Increase / (Decrease) in Borrowings	3,309.40	-
Increase / (Decrease) in Trade Payables	(81.90)	(115.57)
Increase / (Decrease) in Other non-current Liabilities	7.90	-
Increase / (Decrease) in Other Financial Liabilities	612.61	1,239.53
Cash Generated from Operating Activities	<u>3,850.11</u>	<u>949.80</u>
Direct Taxes Paid	(3,376.93)	118.53
	(130.49)	-
	(3,507.37)	118.53
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		
B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale / (Purchase) of PPR and Intangibles	4,751.10	(29.49)
Duty draw back & Creditors written back	(0.26)	-
Interest Received	1,126.66	-

Bank Interest	2.52	-	
Discount Received	1.41	-	
Profit on Sale of Asset	4,967.16	-	
Provision No Longer Required	85.33	-	
Other Income	134.68	-	
	<u>11,068.63</u>	<u>(29.49)</u>	
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	11,068.62	(29.49)	
B) CASH FLOW FROM FINANCING ACTIVITIES			
Borrowings / (Repayment) of Non Current Liabilities	(7,244.24)	-	
Borrowings / (Repayment) of Long Term Borrowings	3,309.40	1,016.22	
Advances	(895.40)	49.80	
Other borrowings	(2,653.48)	-	
Interest Paid	-	(1,134.61)	
	<u>(7,483.24)</u>	<u>(68.59)</u>	
NET CASH FLOW FROM INVESTING ACTIVITIES (C)	(7,483.24)	(68.59)	
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	78.02	20.42	
Cash and Cash Equivalent Opening Balance	37.51	17.09	
Effect of Exchange Differences on Restatement of Foreign Currency Cash and Cash Equivalents	-	-	
Cash and Cash Equivalent Closing Balance	115.53	37.51	
COMPONENTS OF CASH AND CASH EQUIVALENTS			
Cash on Hand	2.50	1.28	
Balances on Current Accounts	113.02	36.51	
Cheques on Hand	-	-	
	<u>115.52</u>	<u>37.79</u>	

Note:- The above cash flow statement has been prepared under "Indirect method" Set out in the Ind AS 7 - Cash flow statement

Particulars	1-4-23	Cash Flow	Foreign exchange / others	31-3-24
Borrowing - Non-Current (including current maturities)	7,265.80	(7,244.24)	-	21.55
Borrowing - Current	-	3,309.40	-	3,309.40
Total	7,265.80	(3,934.85)	-	3,330.95

As per our Report of even date attached

For Ray & Ray
Chartered Accountants
Regn.No.301072E

V. Raman
Partner
Membership No.019839
Place: Chennai
Date : 29.05.2024

For and on behalf of the Board of Directors

Dilip Machado
Director
DIN : 06895289

J. Rafiq Ahmed
Vice Chairman &
Managing Director
DIN : 02861341

Anil Kumar Padhiali
Company Secretary

Hari Kishore
Chief Financial Officer

NOTES ON ACCOUNTS

NOTES FORMING PART OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Kothari Industrial Corporation Limited (“KICL” or “the Company”) is a public limited company was incorporated under the provisions of the Indian Companies Act 1956, in July 1, 1970 and is a listed company. The Company is engaged in manufacturing and mixing of fertilizers, providing drone services, engaged in hotel activities, engaged in footwear and leather activities and has a network of distributors in the southern states and has developed a brand value recognized in the market place. The company has planned to develop a Container Terminal at Ennore.

2. SIGNIFICANT ACCOUNTING POLICIES :

2.1 Basis of preparation of consolidated Ind AS Financial statements

(a) Statement of Compliance

These financial statements have been prepared in accordance with the generally accepted accounting principles in India and have complied in all material respects with the Indian Accounting Standards (“Ind AS”) notified under Section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as applicable and also complied with other relevant provisions of the Act and Interpretations issued by the Ind AS Transition Facilitation Group (ITFG) applicable to Companies reporting under Ind As and additional disclosures required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Financial statements up to the a year ended March 31, 2017 which were prepared in accordance with the accounting standard notified under the companies (accounting standard) Rules, 2006 (as amended) and other relevant provisions of the Act. Have been reinstated as per Ind As.

The Company’s Financial Statements are presented in Indian Rupees (C), which is also its functional currency and all values are rounded to the nearest lakhs, except when otherwise indicated..

(b) Basis of measurement

These financial statements have been prepared under historical cost convention except for certain assets and liabilities as stated in the respective policies, which have been measured at fair value.

(c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle
- ii. Held primarily for the purpose of trading
- iii. Expected to be realized within twelve months after the reporting period, or
- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Kothari Industrial Corporation Limited

A liability is current when:

- i. It is expected to be settled in normal operating cycle
- ii. It is held primarily for the purpose of trading
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities have been classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2 Use of estimates and judgement

The preparation of financial statement in conformity with the generally accepted accounting principles requires the management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at the balance sheet date, reported amounts of revenue and expenses for the year and disclosure of contingent liabilities as of the date of balance sheet. The judgement, estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date financial statements. Actual amounts could differ from these estimates.

2.3 Significant estimates and judgements

The areas involving significant estimates property and judgements are:

a) Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

Assets	Useful Life
Building	30 years
Computer	3 years
Plant & Machinery	8 years
Furniture & Fittings - General	10 years
Furniture & Fittings - Used in hotels, restaurants	8 years
Vehicles	10 years
Office Equipment's	5 years
Software and Other Intangibles	6 years

b) Income Taxes

Deferred Tax Assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The company was having brought forward losses that will be used to setoff against future profit. During the year company has loss from operating activities and management decided not to create deferred tax assets for the brought forward loss and unabsorbed depreciation.

c) Defined Benefit Plans

The cost of the defined benefit gratuity plan, post-employment medical benefits and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

2.4 Property, Plant and Equipment

(a) Freehold land is carried at cost. All other items of property, plant and equipment including intangibles are carried at cost less accumulated depreciation/amortization losses, if any.

The cost includes the cost of replacing part of the property, plant and equipment meeting the recognition criteria and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment up to the date of commissioning of the assets. In accordance with Ind AS 16- Property, Plant and Equipment commissioning expenses directly attributable to project is recognized under Capital Work in Progress (CWIP). Subsequent to initial recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.5 Investment Property

Property that is held for long-term rental yield or for capital appreciation or both is classified as investment property. Investment property is carried at cost including related transaction costs less accumulated depreciation and impairment losses, if any. Subsequent expenditure is included in the asset's book value only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are expensed when incurred. When a part of an investment property is replaced, the carrying amounts of the replaced part is derecognized.

2.6 Depreciation

Depreciation on tangible assets is provided on Written Down value method based on all assets at the appropriate rates in accordance with Schedule II to the Companies Act, 2013. Cost of Intangible amortized over a period of ten years on written down value basis. Investment property is depreciated using the straight line method over its estimated useful life in line with rates specified in Schedule II to the Companies Act 2013.

2.7 Borrowing Costs

Borrowing costs attributable to production or acquisition or construction of qualifying assets are capitalized as part of the cost of assets up to the date such assets are ready for their intended use. Other borrowing costs are recognized as expense in the period in which they are incurred.

2.8 Impairment

The carrying values of assets/cash generating units at each Balance sheet date are annually reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized in the statement of Profit and Loss.

2.9 Foreign Currency translation

i) Functional and presentation currency

The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

ii) Transaction and balances

Initial Recognition

Foreign currency transactions are recorded in functional currency using the exchange rate prevailing on the date of transaction.

Subsequent recognition

As at the reporting date, monetary assets and liabilities denominated in foreign currency are restated at the closing exchange rates. Exchange differences arising out of actual payment/ realization and from the year end restatement are recognized in the statement of Profit and Loss.

Forward Contracts

Foreign exchange forward contracts outstanding at the year-end on account of firms commitment / highly probable forecast transactions are marked to market and the gains / losses, if any, are recognized in the Statement of Profit and Loss. The Company does not enter into any speculative transactions in derivatives.

2.10 Inventories

The company values its inventories using the First-In, First-Out (FIFO) method & its land using the Fair Market Value(Guideline Value)

2.11 Cash and Cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at banks, short-term deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost, less provision for impairment.

2.13 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits full flow to the Company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it had pricing latitude and is also exposed to inventory and credit risks.

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company fulfils its performance obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade Receivables

A receivable represents the company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract Liabilities in respect of advance from customers is disclosed under "other current liabilities". Contract liabilities are recognized as revenue when the Company performs under the contract.

(a) Sale of Goods and Services

Revenue, including subsidy, in respect of sale of goods and services is recognized at a point in time when control of the goods has transferred or services obligation has been performed, being when the goods are delivered to the buyer, the buyer has full discretion over the goods or services and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods. Revenue (other than subsidy) from the sales is recognized based on price specified in the contract, net of estimated volume discount. Amounts disclosed as revenue are net of returns and allowances, trade discounts, rebates, and goods & services tax (GST). The Company collects GST on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, these are excluded from the revenue. The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(b) Interest Income

Interest income is calculated by applying the effective interest rate to gross carrying amount of a financial asset except for financial asset that subsequently become credit impaired. In case of credit impaired financial asset, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

(c) Dividend

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(d) Insurance Claims

Claims receivable on account of insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

2.14 Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A. Company as Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognizes lease liabilities to make lease payments and right-of use assets representing the right to use the underlying assets.

Right of use assets

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets. The Right to use assets are also subject to impairment as described in the policies with respect to the impairment of non-financial assets. For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the statement of Profit and loss.

B. Company as Lessor

The leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating Lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned. During the year ended 31 March 2020, the Company applied, for the first time, Ind AS 116 Leases retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

C. Nature of the effect of adoption of Ind AS 116.

The Company has lease contracts for Factory and Hotel Business. Before the adoption of Ind AS 116, the Company classified its leases (as lessor) at the inception date as an operating lease. In an operating lease, the leased property was not capitalized and the lease receipts/payments were recognized as rent income in the statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Prepayments and Trade and other payables, respectively. Upon adoption of Ind AS 116, the company applied a single recognition and measurement approach for all leases that it is the lessee, except for short term, leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the company.

2.15 Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Government Subsidy relating to income are recognized in the statement of profit and loss over the periods in which the related costs, for which the grants are intended to compensate are recognized as expenses.

(a) Financial assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, debt instruments are classified in three categories:

- Debt instruments at amortized cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Debt instruments at fair value through profit or loss (FVTPL).

Debt Instruments at Amortized Cost

A debt instrument is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

Debt Instrument at FVTOCI

A debt instrument is classified as at FVTOCI if both the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the Statement of Profit and Loss. Interest earned while holding FVTOCI debt instruments is reported as interest income using the EIR method.

Debt Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as at FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Instruments

- Equity instruments measured at fair value through profit or loss (FVTPL); and
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (i) the Group has transferred substantially all the risks and rewards of the asset, or
 - (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. Assessment of such credit risk is being made on case to case basis based on available information. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables. The allowance for doubtful debts/ advances or impairment of assets is made on case to case basis by considering relevant available information.

(b) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as loans and borrowings, as payables, or as derivatives. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including redeemable preference shares and derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial Instruments'. Gains or losses on liabilities held for trading are recognized in the profit or loss.

2.16 Employee benefits / Obligations

(i) Short term obligations

Liabilities for wages and salaries including non monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render their related services are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

ii) Post employment obligations

The Company has the following post employment obligations / plans:

- a) Defined benefit plans such as gratuity for its eligible employees; and
- b) Defined contribution plan such as provident fund

a) Gratuity:

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset.

Re-measurement gains or losses arising from experience adjustments and changes in actuarial assumption are recognized in the period in which they occur, directly in other comprehensive income (net of tax).

(b) Provident Fund:

This is a defined contribution plan, and contributions made to the Fund as per the rules of the Company are charged top rift and loss as and when due. The Company has no further obligations for future provident fund benefits other than monthly contributions.

2.17 Taxes on Income

Taxes on Income comprise current tax and deferred tax.

The current tax expense for the period is the tax payable on the current period's taxable income computed at the applicable income tax rate and is recognized in the statement of profit or loss. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Current and deferred tax is recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.18 Provisions and contingencies

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingencies

Contingent liabilities are not recognized but are disclosed in notes. Contingent assets are neither recognized nor disclosed in the financial statements.

2.19 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all potential equity shares.

2.20 Accounting Policy, Change in Accounting Estimates and Error

If the Material error occurred before the earliest prior period presented then entity shall correct the same retrospectively in the first set of financial statement approved for issue after the discovery after restating the opening balance of assets, Liabilities and equity for the earliest prior period presented.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reposting provided to the chief Operating Decision Maker ("CODM")

2.22 Dividend to Shareholders

Final dividend distributed to equity shareholders is recognized in the period in which it is approved by the members of the Company in the Annual General Meeting. Interim dividend is recognized when approved by the Board of Directors at the Board meeting. Dividend distributed (including interim dividend) is recognized in the Statement of changes in Equity.

Note 3 Property, plant and equipment

Rs. in Lakhs

Current Year (FY 2023-24) Assets	Gross Block			Depreciation				Impairment Loss		Net Block		
	As at April 1, 2023	Addition	Disposal	As at March 31, 2024	Opening Accumu- lated Depreciation	Depreciation / amortization for the year	Deductions / Other adjustments	Closing Accumu- lated Depreciation / Amortization	As at April 1, 2023	During the year	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment												
Land	2,639.98	-	9.55	2,630.43	-	-	-	-	-	-	2,630.43	2,639.98
Building	1.57	0.01	-	1.58	1.47	0.11	-	1.58	-	-	0.00	0.10
Computer	88.07	37.59	9.70	115.95	81.04	4.38	2.02	83.40	-	-	32.55	7.02
Plant and Machinery	613.11	161.68	617.72	157.07	550.12	9.90	486.97	73.05	-	-	84.02	62.99
Office Equipments	164.27	34.50	51.22	147.55	151.99	0.99	30.19	122.78	-	-	24.77	12.28
Furniture and Fixture	49.66	124.13	0.51	173.28	49.66	3.04	4.67	52.70	-	-	120.58	0.00
Vehicle	68.74	39.02	-	107.75	34.72	4.67	3.91	35.48	-	-	72.27	34.01
Total Fixed Assets (A)	3,625.39	396.93	688.71	3,333.61	869.01	23.08	523.10	369.00	-	-	2,964.62	2,756.38
Intangible Assets												
SAP Software	20.01	0.30	-	20.31	19.35	-	-	19.35	-	-	0.95	0.65
Drone Software	-	3.93	-	3.93	-	1.77	-	1.77	-	-	2.16	-
Architecture Fees-Lease Hold	-	4.46	-	4.46	-	0.02	-	0.02	-	-	4.44	-
Total Intangible Assets (B)	20.01	8.69	-	28.70	19.35	1.80	-	21.15	-	-	7.55	0.65
Total Assets (A+B)	3,645.40	405.62	688.71	3,362.31	888.36	24.88	523.10	390.15	-	-	2,972.17	2,757.04
Current Year (FY 2022-23) Assets												
Property, plant and equipment												
Land	2,639.98	-	-	2,639.98	-	-	-	-	-	-	2,639.98	2,639.98
Building	1.57	-	-	1.57	1.47	-	-	1.47	-	-	0.10	0.10
Computer	78.63	10.87	1.43	88.07	78.63	2.41	81.04	550.12	-	-	7.02	-
Plant and Machinery	613.11	5.08	-	613.11	546.34	3.78	486.97	151.99	-	-	62.99	59.73
Office Equipments	159.19	5.08	-	164.27	151.13	0.86	30.19	151.99	-	-	12.28	-
Furniture and Fixture	49.66	-	-	49.66	49.66	-	-	49.66	-	-	0.00	0.00
Vehicle	68.74	-	-	68.74	30.51	4.21	3.91	34.72	-	-	34.01	38.36
Total Fixed Assets (A)	3,610.88	15.95	1.43	3,625.39	857.75	11.26	-	869.01	-	-	2,756.38	2,738.17
Intangible Assets												
SAP Software	20.01	-	-	20.01	19.35	-	-	19.35	-	-	0.65	0.65
Total Intangible Assets (B)	20.01	-	-	20.01	19.35	-	-	19.35	-	-	0.65	0.65
Total Assets (A+B)	3,630.88	15.95	1.43	3,645.40	877.10	11.26	-	888.36	-	-	2,757.04	2,738.82

Notes :

1. Company has sold Super Phosphate factory (Comprise of Land, Building and Plant & Machinery) amount Rs. 49.81 Crore to Coromandel International Limited during the year, which was given on lease earlier to same company.
2. The above factory are given on operating lease and their cost goes down to scrap value due to completion of asset life value.

Kothari Industrial Corporation Limited

Rs. in Lakhs

		31 st March 2024	31 st March 2023
4.	Non-Current Investments		
	Investments in Equity instruments		
	- 52000 shares of Katiken Logistics Ltd @ Rs. 10 each	5.20	5.20
	- 99,994 shares of Kothari Marine International Limited @ Rs. 10 each	-	-
	Investment in Kothari's My Park King Solutions Private Limited	0.19	-
	Less: Investment provision	(5.20)	(5.20)
	Total	0.19	-
5.	Long Term Loans and Advances		
	Secured considered good		
	Capital Advances		
	Security Deposits	979.07	83.66
	Loans and advances to related parties		
	Unsecured considered good/Doubtful	-	-
	Total	979.07	83.66
7.	Inventories		
	Work in progress	-	-
	Finished goods	14.83	82.52
	Stock in trade(Land)	51.93	51.93
	Stock in trade	39.00	-
	- Packing Materials	32.99	33.39
		Total	138.75
Details of Finished Goods Inventory			
7.1	Particulars	31st March 2024	31st March 2023
	(i) Goods Manufactured		
	- NPK Mixtures	-	-
	(iii) Details of Traded goods		
	1. Agro Products	0.63	0.89
	2. Micro & Bio Products	0.09	0.17
	3. ST. Fertilizers	6.68	21.58
	4. NPK Mixtures	1.54	1.54
	5. Zinc Sulphate	1.69	-
	6. W.S.Fertilisers	-	-
	7. Rusk Products	-	9.53
	8. Sanitizer Products	-	27.24
	9. Mask Products	-	6.17
	10. Teak	4.15	9.72
	11. Food	-	5.59
12. Leather	39.00	-	
13. Hil Net & Book	0.06	0.09	
	Total	53.83	82.52

Rs. in Lakhs

8.	Particulars	31 st March 2024	31 st March 2023
	Trade receivables		
	Secured, considered good		
	- Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
	- Others Debtors receivable	-	-
	Unsecured, considered good		
	- Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
	- Others Debtors receivable	29.35	548.18
	Debtor provision	(10.27)	(276.64)
	Unsecured, considered doubtful		
	- Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
	Total	19.09	271.54

(i) Trade Receivables ageing Schedule - Year ended 31st March 2024

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	(32.56)	14.61	34.53	3.99	8.78	29.35
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less : Provision for the year ended	-	-	-	-	(10.27)	(10.27)
Total	(32.56)	14.61	34.53	3.99	(1.48)	19.09

(ii) Trade Receivables ageing Schedule - Year ended 31st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 -2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	132.42	(1.19)	(4.68)	62.19	359.44	548.18
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Less : Provision for the year ended	-	-	-	-	(276.64)	(276.64)
Total	132.42	(1.19)	(4.68)	62.19	82.80	271.54

9.		31 st March 2024	31 st March 2023
	Cash and cash equivalents		
	Balances with banks		
	- In current account	86.15	36.51
	other current account	26.87	-
	- Cheques on hand	-	-
	Cash in hand	2.50	1.28
	Total	115.52	37.79

10.		31 st March 2024	31 st March 2023
	Other Financial assets		
	Loans and advances unsecured and considered good	680.05	551.00
	- Advance Income tax	148.92	153.44
	Kothari Marine International Limited	0.40	-
	Advance with creditors		
	Total outstanding dues of creditors other than micro and small enterprises	53.09	-
	Total	882.46	704.44

Rs. in Lakhs

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Note No.	Particulars	31 st March 2024		31 st March 2023	
		No. of Shares	Share Capital	No. of Shares	Share Capital
11.	Share Capital				
	Authorized Share capital				
	Equity Shares of Rs. 5 each	500.00	2,500.00	500.00	2,500.00
	Issued Share Capital(Opening Balance)				
	Equity Shares of Rs. 5 each(Opening Balance)	191.11	955.54	191.11	955.54
	Subscribed Share Capital(Opening Balance)				
	Equity Shares of Rs. 5 each	191.11	955.54	191.11	955.54
	Fully Paid up Share Capital(Opening Balance)				
	Equity Shares of Rs. 5 each	191.11	955.54	191.11	955.54
	Equity shares issued during the year	-	-	-	-
	Equity Shares of Rs. 5 each	-	-	-	-
	Less: Reduction of Share Capital as per NCLT Order	66.27	331.35		
	Closing Balance	124.84	624.19	191.11	955.54

(a) Rights, Preferences and restrictions attached to equity shares

Each shareholder is entitled to one vote per share and dividend when declared. Other rights are governed by the Articles of Association of the Company and the Companies Act 2013.

(b)	Details of Shares held by share holders holding more than 5% of the aggregate shares in the company				
		31 st March 2024		31 st March 2023	
		Percentage	No. of Shares	Percentage	No. of Shares
	Equity Shares				
	Mr. Pradip D Kothari	10.94%	13,66,288	17.09%	32,66,288
	A Rabindran Swamidasonon	0.00%	-	13.08%	25,00,000
	Rakesh Garg	0.00%	-	9.63%	18,40,000
	Life Insurance corporation of India	11.79%	14,71,629	7.70%	14,71,629
	Mr. A. Sahabudeen	9.05%	11,29,793	5.91%	11,29,793
	Total		39,67,710		1,02,07,710

Kothari Industrial Corporation Limited

Rs. in Lakhs

(c) Shares held by Promoters and Promoter Group

Sr. No.	Promoter and Promoters group name	As on 31 st March 2024		As on 31 st March 2024		% Change during the year
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	
1	Pradip D. Kothari	13,66,288	10.94	32,66,288	17.09	(6.15)
2	Surekha P. Kothari	1,11,323	0.89	1,11,323	0.58	0.31
3	Maya D. Kothari	76,410	0.61	76,410	0.40	0.21
4	Mitali P. Kothari	1,68,090	1.35	1,68,090	0.88	0.47
5	Piyali P. Kothari	2,03,056	1.63	2,03,056	1.06	0.57
6	Antara P. Kothari	1,80,492	1.45	1,80,492	0.94	0.51
7	Asha Thayer	1,03,890	0.83	1,03,890	0.54	0.29
8	Solaman Investments	3,60,000	2.88	3,60,000	1.88	1.00
9	Kothari & Sons Nominees Pvt. Ltd.,	1,07,526	0.86	1,07,526	0.56	0.30
10	G. Mohan Das	450	-	60,450	0.32	(0.32)
11	N.K. Sukkal	450	-	60,450	0.32	(0.32)
12	N.Ravichandran	60	-	1,00,060	0.52	(0.52)
13	N. Santharam	1	-	5,001	0.03	(0.03)
14	A.R. Raja	1	-	2,001	0.01	(0.01)
15	D. Ravindra Reddy	1	-	60,001	0.31	(0.31)
16	A.RabindranSwamidasonon	-	-	25,00,000	13.08	(13.08)
17	RakeshGarg	-	-	18,40,000	9.63	(9.63)
18	K.Sanathanam	-	-	20,000	0.10	(0.10)
19	T.Sankaran	-	-	40,000	0.21	(0.21)
20	N. Srinivasan	-	-	40,000	0.21	(0.21)
	Total	26,78,038	21.44	93,05,038	48.67	(27.23)

Additional Disclosures

Out of the Paid-up Capital

- (i) 22,25,850 Equity Shares of Rs. 10/- each were allotted as fully paid on amalgamation in February 1972 for consideration other than cash.
- (ii) 8,29,760 Equity Shares of Rs.10/- each fully paid were allotted for consideration other than cash to certain financial institutions on conversion of part of secured loans, in the year 1981.
- (iii) 20,00,000 Equity Shares of Rs.10/- each fully paid were allotted for consideration other than cash on 01.10.1983 as per the terms of issue to the holders of 13.5% Convertible Secured Debentures issued to the Public.
- (iv) 45,68,200 Equity Shares of Rs.10/- each were allotted on 25.08.93 as fully paid on part conversion of 16% Secured Partly convertible Redeemable Debentures allotted on 25.02.93.

Rs. in Lakhs

<p>(v) In accordance with the shareholders' consent obtained at the 39th Annual General Meeting held on 14th December 2009, the company allotted 66,27,000 equity shares of Rs. 5/- each, aggregating to Rs. 331.35 lakhs, to promoters and associates on 31st March 2016.</p> <p>Subsequently, these shares were cancelled based on the order of the National Company Law Tribunal (NCLT) dated 10th May 2023.</p>
<p>(vi) The consent terms filed on 05.03.2000 with the Supreme Court and decreed by the said Court in the matter of share allotment and sale of 5.33 grounds of land effects of the decree has not been considered in the books of accounts of the company, since the consent decree terms are yet to be implemented. A suit has since been filed in Madras High Court for implementation of the scheme.</p>
<p>(vii) During the year, NCLT, Chennai 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. Pursuant to NCLT order on reduction of capital, Promoters and Promoters group holding reduced from 93,05,038 to 26,78,038 shares.</p>

12.		31 st March 2024	31 st March 2023
	Reserves and Surplus		
	Capital Reserves	2,631.90	2,631.90
	Capital Redemption Reserves	349.35	18.00
	Revenue reserves	-	-
	Retained Earnings	-	(2,229.93)
	Fixed Asset Reserves	24.10	-
	Debenture Redemption Reserves	-	-
	Revaluation Reserves	2,164.72	2,164.72
	Deficit	(5,015.08)	(8,293.97)
	Other Share Capital Income	-	-
	Total	155.00	(5,709.27)
12.1		31 st March 2024	31 st March 2023
	Capital Reserves		
	Balance at the beginning of the year	2,631.90	2,631.90
	Transfer from Retained Earnings	-	-
	Balance as at the end of the year	2,631.90	2,631.90
12.2		31 st March 2024	31 st March 2023
	Capital Redemption Reserves		
	Balance at the beginning of the year	18.00	18.00
	Add:- Retained Earnings	331.35	-
	Balance as at the end of the year	349.35	18.00
12.3		31 st March 2024	31 st March 2023
	Retained Earnings		
	Balance at the beginning of the year	(2,229.93)	-
	Add :- Transfer from Revaluation Reserve	-	-
	Less:- Retained Earnings made during the year	2,229.93	(2,229.93)
	Less:- Transfer to Capital Reserves	-	-
	Balance as at the end of the year	-	(2,229.93)

Kothari Industrial Corporation Limited

Rs. in Lakhs

	31 st March 2024	31 st March 2023
12.4		
Revaluation Reserves		
Balance at the beginning of the year	2,164.72	2,164.72
Less: Transfer to Retained Reserve	-	-
Less: Transfer to Retained Reserve	-	-
Balance as at the end of the year	2,164.72	2,164.72
12.5		
Deficit:		
Balance at the beginning of the year	(8,293.97)	(6,302.21)
Add: transfer from revaluation reserve	-	-
Profit/(Loss) for the year	3,279.27	(1,991.14)
Less : Depreciation of prior year 2016 & 17	-	-
Deficit as at the end of the year	(5,014.70)	(8,293.36)
13.		
Long-term borrowings		
Secured		
Term Loans		
- From Banks	21.55	-
- From parveen Road Ways (p) Ltd	-	7,265.80
Unsecured	-	-
Total	21.55	7,265.80
14.		
Provisions		
Non Current - Due to Gratuity	19.94	19.29
Current - Due to Gratuity	5.84	107.26
Total	25.78	126.55
The Company's liability towards Gratuity to employees has been provided in accordance with the Indian Accounting Standard No. 19 on "Retirement Benefits"		
15.		
Other Non current liabilities		
Super Annuation Fund	-	-
Others Leave encashment and Bonus	7.90	-
Total	7.90	-
16.		
Borrowings		
Secured		
Loans repayable on demand		
- from Banks	6.38	-
Unsecured		
Loans repayable on demand		
- from Banks	-	-
- from Promoters	180.95	-
- from Related party	310.52	-
Loan from MD(Related party)	2,811.55	-
Total	3,309.40	-

Rs. in Lakhs

17.		31 st March 2024	31 st March 2023
	Trade Payables		
	Total outstanding dues of micro and small enterprises	39.04	5.24
	Total outstanding dues of creditors other than micro and small enterprises	-	115.71
	Total	39.04	120.94

(i) Trade Payable ageing Schedule - year ended 31st March 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
(i) MSME	39.04	-	-	-	39.04
(ii) Others	-	-	-	-	-
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	39.04	-	-	-	39.04

(ii) Trade Payable ageing Schedule - year ended 31st March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 -2 years	2 - 3 years	More than 3 years	Total
(i) MSME	5.24	-	-	-	5.24
(ii) Others	61.80	41.17	12.74	-	115.71
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	67.04	41.17	12.74	-	120.95

18.		31 st March 2024	31 st March 2023
	Other Financial Liabilities		
	Statutory dues including PF and TDS	430.88	356.98
	Salaries & Wages Payable	135.44	84.57
	Income Tax Provisions	137.24	-
	Others	266.22	1,599.27
	Total	969.78	2,040.83

Kothari Industrial Corporation Limited

Rs. in Lakhs

19.		31 st March 2024	31 st March 2023
	Contingent liabilities and commitments (to the extent not provided for)		
	Contingent liabilities		
	Claims against the company not acknowledged as debt		
	- Disputed sales tax demands under appeal including stay of recovery granted for Rs.854.65 lakhs (Rs.20.50 lakhs paid under protest included under advances) (Based on another Supreme Court order and legal Opinion such demands may not be sustainable)	-	-
	- Others(Exclusive of Interest)	-	145.00
	Guarantees	-	7.00
	Other money for which the company is contingently liable		
	- Differential Customs Duty on Import machinery Availed under export obligation scheme	-	84.07
	Pursuant to an arbitration award dated 30.09.2017 relating to additional electricity dues of Costic Soda plant sold by the Company in the year 1986 . together with interest at 6% p.a.	-	231.37
	Income Tax Liability : For FY 2021-22, creating a contingent liability for income tax Notice of Demand under Section 156 of the Income-Tax Act, 1961.	95.34	-
	Legal Opinion on Land Dispute: the legal opinion on the 5.33 acres land dispute. This dispute concerns the parking area at the Nungambakkam head office and is still pending in court.	882.80	-
	Ennore Land Sale: The company sold the Ennore factory during FY 2023-24. As per Section 50C, the company is required to pay capital gains tax on the fair market value of the property, which is INR 110 crores.	1,284.67	-
	Sub Total	2,262.81	467.44
	Commitments		
	Estimated amount of contracts unexecuted on capital account	-	-
	Uncalled liability on shares and other investments partly paid	-	-
	Other commitments	-	-
	Sub Total	-	-
	Total	2,262.81	467.44

Rs. in Lakhs

20.		31 st March 2024	31 st March 2023
	Revenue from Operations (for companies other than a finance company)		
	Revenue from - Sale of Fertilisers	275.31	321.11
	Revenue from - Sale of Marine Products	-	-
	Other operating revenue *	5.50	12.00
	Royalty Receipts	67.02	213.72
	Revenue from -Sainten and mask&rusk + drone service & Foods	1,015.69	410.80
	Total	1,363.52	957.64

* Operating revenue includes Lease Rental Income

20.1	Particulars	31 st March 2024	31 st March 2023
	(i) Details of Sales (Finished goods)		
	- NPK Mixtures	-	-
	(ii) Details of Sales (Traded goods)		
	- Agro Products	-	0.55
	- Micro & Bio Products	-	2.77
	- ST. Fertilizers	210.10	134.34
	- NPK Mixtures	54.23	182.98
	- Zinc Sulphate	10.99	-
	- Packing Materials	-	0.46
	- W.S. Fertilizers	-	-
	Sub-total	275.31	321.11
	- Rusk, cook, dho products	5.39	27.96
	- Sanitizer Products	11.04	1.58
	hilnet, bookes, scarp & Wood	7.05	13.61
	Cash Discount - Sanitizer	(10.82)	
	Discount - Rusk	(2.34)	
	Sales Return - Rusk & Food	(5.78)	
	Food	633.03	222.16
	Drone services	326.87	145.35
	Service income from leather	51.23	
	Share income	-	0.15
	Total	1,015.69	410.80

21.		31 st March 2024	31 st March 2023
	Other Income		
	Rent received	-	-
	Interest Revised(last year interest)	1,126.66	
	Bank Interest Received	2.52	-
	Discount received	1.41	-
	Sales of Fixed asset and land	4,967.16	
	Provisions no longer Required	85.33	-
	Assets and Liabilities written back	-	-
	- Other Income	134.68	73.48
	Total	6,317.75	73.48

Kothari Industrial Corporation Limited

Rs. in Lakhs

23.		31 st March 2024	31 st March 2023
	Changes in inventory of finished goods and Work in progress		
	(Increase)/decrease in stock:		
	Stock at the end of the year:		
	Finished goods	86.82	115.91
	Land held as stock-in-Trade	51.93	51.93
	Total A	138.75	167.84
	Stock at the beginning of the year:		
	Finished goods	115.91	97.14
	Land held as stock-in-Trade	51.93	51.93
	Total B	167.84	149.07
	Total	29.08	(18.77)

Note : Stock-in-trade includes land located in Conoor, valued at a cost of Rs 51.93 lakhs. The valuation of this land is based on the historical cost method. This cost-based valuation reflects the purchase price and any related costs incurred to acquire the land. There has been no revaluation or impairment of the land in the current financial period.

24.		31 st March 2024	31 st March 2023
	Employee Expense		
	Salaries and wages	757.77	241.47
	Gratuity	18.36	8.80
	Contribution to PF	40.18	7.71
	Expense on Employees stock option scheme (ESOP) and Employee stock purchase plan (ESPP)	-	-
	Staff welfare expenses	45.44	30.69
	Total	861.74	288.67

25.		31 st March 2024	31 st March 2023
	Finance Costs		
	Interest	270.92	1,134.61
	Other borrowing costs	-	-
	Applicable net gain/ loss on foreign currency transactions/ translation	-	-
	Total	270.92	1,134.61

Rs. in Lakhs

26.		31 st March 2024	31 st March 2023
	Other Expenses		
	Consumption of stores and Packing Materials	-	-
	Power and fuel	40.00	28.72
	Rent	191.79	122.46
	Audit Fees		
	- Statutory Audit	3.00	3.00
	- Tax Audit	0.50	0.25
	- Other Audit	-	0.45
	Repairs to buildings	16.33	16.82
	Repairs others	79.44	31.08
	Director Sitting Fee	0.11	0.22
	Insurance	-	1.86
	Rates & Taxes	2.29	0.28
	Travelling expenses	111.62	140.11
	Telephone expenses	7.48	7.65
	Postage & Courier	12.92	0.76
	Conveyance	36.08	26.38
	Security charges	30.58	18.05
	Printing & Stationery	6.53	4.97
	Professional Charges	167.80	75.12
	Bank charges	(0.33)	1.95
	Duty Draw Back & Creditors Written back	0.26	-
	Selling Expenses	165.49	155.47
	Advance Written off-	35.07	-
	Office Maintenance	36.20	35.71
	Other Manufacturing expenses	15.14	16.79
	Provision for Debtors	10.27	-
	Other Expenses	611.25	143.38
	Total	1,579.81	831.49

27.		31 st March 2024	31 st March 2023
	Exceptional Items		
	Profit / (Loss) on sale of Assets	-	-
	Provision for Expenses	-	(230.00)
	Total	-	(230.00)

Kothari Industrial Corporation Limited

Rs. in Lakhs

28.	Related Parties Disclosure: Particulars of transaction with related parties		
	Description	31 st March 2024	31 st March 2023
	(a) Remuneration with Key Managerial Personnel		
	Mr. Vijayaraghavan	6.76	-
	Mr. Hari Kishore	7.69	-
	Mr. N Balajee	-	6.93
	Mr. Anil Kumar Padhiali	11.31	8.53
		25.75	15.46
	(b) Payment to Directors (Sitting Fees)		
	Mr. D Gunasekaran	0.11	0.21
	Total	0.11	0.21

Name of the Key Management Personnel and Directors:

- (i) Mr Rafiq Ahmed - Managing Director
No remuneration was paid to Managing director
- (ii) Pradip D Kothari - Chairman
- (iii) Dilip Machado - Independent Director
- (iv) Gunasekaran - Independent Director
- (v) T A Raja Laxmi - Non independent Director
- (vi) Mr Anil Kumar Padhiali - Company Secretary (Appointed w.e.f. 19-03-2018)
- (vii) Mr. N Balajee- CFO (Appointed w.e.f 01.12.2022 and resigned w.e.f 24.04.2023)
- (viii) Mr. S Vijayaraghavan - Chief Financial Officer (Appointed w.e.f. 25-05-2023 and resigned on 06-02-2024)
- (ix) Mr Hari Kishore - Chief Financial Officer (Appointed w.e.f. 14-02-2024)

Related parties under IND AS 24 with whom transactions have taken place during the year:

Name of the Related Party	Nature of relationship
Gemini Fertilizers	Mr. Rafiq Ahmed, Managing director of the company is sole proprietor of Gemini fertilizer
Rafiq Ahmed	Mr. Rafiq ahmed is Managing direrctor of the company.
Gemini Legal Consultancy Private Limited	Mr. Rafiq Ahmed, Managing director of the company was director in the related party company.
Kothari's My Park King Solutions Private Limited	Mr. Rafiq Ahmed, Managing director of the company is director in the related party company.
Gemini Iron And Steels Private Limited	Mr. Rafiq Ahmed, Managing director of the company was director in the related party company.
Phoenix Kothari Footwear Limited	Mr. Rafiq Ahmed, Managing director of the company is director in the related party company.
Top guard International Security Force Private Limited	Mr. Rafiq Ahmed, Managing director of the company is director in the related party company.
Parveen Roadways Private Limited	Mr. Rafiq Ahmed, Managing director of the company is director in the related party company.
Flyeasy Aviation Services Private Limited	Mr. Rafiq Ahmed, Managing director of the company is director in the related party company.
Kothari Marine International Limited	Mr. Pradip D Kothari is director in the related party company.

Rs. in Lakhs

Nature of Transaction	31 st March 2024	31 st March 2023
a) Transaction during the year		
<u>Lunch Sales</u>		
JR One Kothari Footwear Private Limited	24.16	-
Top guard International Security Force Private Limited	5.00	-
<u>Maintenance Services</u>		
Phoenix Kothari Footwear Limited	71.76	-
<u>Financial Costs & Other receivables</u>		
Parveen Roadways Private Limited	-	1,125.51
Rafiq Ahmed - Managing Director	184.64	-
<u>Security Charges</u>		
Top guard International Security Force Private Limited	30.58	18.05
b) Balances outstanding as at year end		
<u>Investment</u>		
Kothari Marine International Limited	9.99	9.99
Kothari's My Park King Solutions Private Limited	0.19	-
<u>Security Deposit</u>		
Parveen Roadways Private Limited	795.83	-
<u>Loans & Advances</u>		
Parveen Roadways Private Limited	151.31	-
Kothari's My Park King Solutions Private Limited	18.75	-
Flyeasy Aviation Services Private Limited	0.05	-
Kothari (Madras) International Limited	575.29	-
<u>Trade Receivables</u>		
Gemini Legal Consultants Private Limited	15.65	15.65
Phoenix Kothari Footwear Limited	6.23	-
<u>Trade Payables</u>		
Gemini Fertilizers	87.12	63.54
Top Guard International Security Force Private Limited	39.04	5.24
<u>Loan</u>		
Parveen Roadways Private Limited	-	7,265.80
Rafiq Ahmed - Managing Director	2,811.55	964.50
<u>Advance payable</u>		
Parveen Roadways Private Limited	-	7.91
Kothari Marine International Limited	8.77	9.04
Gemini Iron and Steel Private Limited	72.09	290.63
<u>Recoverable</u>		
Gemini Karma International Services Private Limited	-	131.65
Top Guard International Security Force Private Limited	-	4.09

Kothari Industrial Corporation Limited

Rs. in Lakhs

29.	Earnings / (Loss) per Share - Calculation of weighted average number of Equity Shares of Rs. 5 each:		
	Particulars	31 st March 2024	31 st March 2023
	Number of shares of Rs. 5/- each	1,24,83,885.00	1,91,10,885.00
	Basic & Diluted Earnings(in Rupees) per Share	26.27	(10.42)

30. Ratio Analysis

S.No.	Particulars	31 st March 2024	31 st March 2023	% of changes	Reason for variance
1	Current Ratio Current Assets/Current Liabilities	0.24	0.53	(0.54)	Due to increase in liabilities
2	Debt Equity Ratio Outside Liabilities/Equity	6.94	9.87	(0.30)	Decrease in D/E ratio is due to increase in other payables in current liabilities and decrease in share capital
3	Debt Service Coverage Ratio Net Operating Income/Debt Obligation	12.79	-0.73	(18.46)	Due to increase in profit DSCR becomes positive
4	Return On Equity Ratio Net Profit After Tax/Paid Up Capital	25.38	-10.35	(3.45)	Due to increase in profit ROE becomes positive
5	Inventory Turnover Ratio Cost Of Goods Sold/Inventory	8.42	3.75	1.24	Due to increase in revenue from operation
6	Trade Receivables Turnover Ratio Sales/Receivables	9.38	3.86	1.43	Due to increase in revenue from operation
7	Trade Payable Turnover Ratio Ratio Purchases/Trade Payables	11.40	2.87	2.98	Due to increase in operation purchase cost increases
8	Net Capital Turnover Ratio Net Sales/Average Working Capital	-0.42	-0.95	(0.56)	Due to increase in liabilities
9	Net Profit Ratio Net Profit After Tax/Net Sales	2.32	-2.06	(2.13)	Due to increase in revenue from operation
10	Return On Capital Employed EBIT/Capital Employed	2.05	-0.28	(8.34)	Due to increase in profit ROCE becomes positive

31. Employee Benefit Obligations

(a) Defined Contribution Plan

The Company makes provident fund contributions to the fund maintained with the office of Regional Provident Fund Commissioner. The company has recognized Rs. 40,17,763/- (Previous year Rs. 7,70,730/-) in the Statement of Profit and Loss under 'Contribution to provident and other funds'.

(b) Defined Benefit Plan

The Company has a gratuity benefit plan applicable to all employees. Employees are eligible for gratuity as per the provisions of the Payment of Gratuity Act, 1972, with a vesting period of five years of service, on resignation, retirement or death.

The following tables summarize the components of the net benefit expenses recognized in the Statement of Profit and Loss and the unfunded status and amounts recognized in the balance sheet for the gratuity benefit plan.

(Rs in Lakhs)

Particulars	31 st March 2024	31 st March 2023
Change in Present Value of Obligation		
Present value of DBO at beginning of the year	126.55	103.75
Interest Cost	9.11	6.91
Current Service Cost	9.25	1.88
Past service cost - Vested Benefits	-	-
Benefits Paid	(9.17)	-
Actuarial (gain)/loss on obligation	(109.96)	14.00
Present value of the obligation at the end of the year	25.78	126.55
Change in Plan Assets		
Plan assets at year beginning, at fair value	-	-
Expected return on plan assets	-	-
Actuarial gain / (loss)	-	-
Contributions	-	-
Benefits paid	-	-
Fair value of Plan Assets at the end of the year	-	-
Particulars	31 st March 2024	31 st March 2023
Amounts Recognized in the Balance Sheet:		
Present value of obligation as at the end of the year	25.88	126.55
Fair value of plan assets as at the end of the year	-	-
Net Obligation at the end of the year	25.88	126.55
Net asset / (liability) recognized - Current	5.84	107.26
Net asset / (liability) recognized - Non - Current	19.94	19.29
	25.78	126.55
Net gratuity cost for the year ended		
Current Service Cost	9.25	1.88
Interest Cost	9.11	6.91
Expected return on plan assets	-	-
Past Service Cost (Vested benefit) Recognized	-	-
Net Actuarial (gain)/loss recognized	(109.96)	14.00
Net gratuity cost recognized in the Statement of Profit and Loss	(91.60)	22.80
Actuarial Assumptions		
Discount Rate	0.07	0.07
Salary escalation rate	0.10	0.06

Kothari Industrial Corporation Limited

(C) Other employee benefits

Compensated Absences: The Company provides for the encashment of leave or leave with pay to employees. The employees are entitled to accumulate leave subject to certain limits, for future availment/ encashment. The liability is provided based on the number of days of unutilized days of leave at each Balance sheet date on the basis of year-end actuarial valuation using projected unit credit method. The scheme is unfunded.

(Rs in Lakhs)

Particulars	31 st March 2024	31 st March 2023
Liability at the beginning of the year	-	-
Leave salary cost accounted for the year (Net)	1.83	-
Total Liability as at the end of the year	1.83	-

Note : Refer Note No.14 for Provisions and Note No.15 Other Non current liabilities

32. Notes to the Consolidated financial statements

Year ended 31 March 2024 (Rs. In Lakhs)	Fertilizers	Drone	FMCG	Hotel	Leather	Total reportable segments	Others (HO)	Total
External revenues	276.72	329.32	16.70	608.92	51.23	1,282.89	1,431.22	2,714.12
Inter-segment revenue	-	-	-	-	-	-	-	-
Segment revenue	276.72	329.32	16.70	608.92	51.23	1,282.89	1,431.22	2,714.12
Segment profit (loss) before tax	(14.01)	(18.17)	(43.12)	(193.22)	(501.28)	(769.81)	4,048.73	3,278.92
Interest income	-	2.45	-	-	-	2.45	0.06	2.52
Interest expense	-	-	-	-	-	-	270.92	270.92
Depreciation and amortization	-	-	-	-	-	-	-	-
Segment assets	1,889.86	(10.40)	(12.20)	(254.44)	(348.36)	1,264.47	3,888.18	5,152.65
Segment liabilities	102.74	153.49	106.18	(12.77)	286.18	635.82	3,737.64	4,373.46

Year ended 31 March 2023 (Rs. In Lakhs)	Fertilizers	Drone	FMCG	Hotel	Leather	Total reportable segments	Others (HO)	Total
External revenues	321.11	143.47	332.38	222.16	-	1,019.12	12.00	1,031.12
Inter-segment revenue	-	-	-	-	-	-	-	-
Segment revenue	321.11	143.47	332.38	222.16	-	1,019.12	12.00	1,031.12
Segment profit (loss) before tax	(9.43)	(150.81)	(668.41)	(48.45)	-	(877.10)	(1,114.04)	(1,991.14)
Interest income	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	1,134.61	1,134.61
Depreciation and amortization	(0.11)	1.13	-	0.70	-	1.71	9.58	11.29
Segment assets	424.29	261.85	61.51	39.77	-	787.42	4,012.96	4,800.38
Segment liabilities	425.90	420.92	136.73	88.23	-	1,071.78	8,482.34	9,554.12

Operating segments
Reconciliations of information on reportable segments to the amounts reported in the financial statements

Particulars	31 st March 2024	31 st March 2023
i. Revenues		
Total revenue for reportable segments	1,282.89	1,019.12
Revenue for other segments	1,431.22	12.00
Elimination of inter-segment revenue	-	-
Elimination of discontinued operations	-	-
Consolidated revenue	2,714.12	1,031.12
ii. Profit before tax		
Total profit before tax for reportable segments	(769.81)	(877.10)
Profit before tax for other segments	4,048.73	(1,114.04)
Elimination of inter-segment profit	-	-
Elimination of discontinued operation	-	-
Consolidated profit before tax from continuing operations	3,278.92	(1,991.14)
iii. Assets		
Total assets for reportable segments	1,264.47	787.42
Assets for other segments	3,888.18	4,012.96
Consolidated total assets	5,152.65	4,800.38
iv. Liabilities		
Total assets for reportable segments	635.82	1,071.78
Assets for other segments	3,737.64	8,482.34
Consolidated total liabilities	4,373.46	9,554.12

Reconciliations of information on reportable segments to the amounts reported in the financial statements
Other material items

Year ended 31 st March 2024	Reportable segment totals	Adjustments	Consolidated totals
Interest income	2.52	-	2.52
Interest expense	270.92	-	270.92
Depreciation and amortization	-	-	-
Year ended 31 st March 2023	Reportable segment totals	Adjustments	Consolidated totals
Interest income	-	-	-
Interest expense	1,134.61	-	1,134.61
Depreciation and amortization	11.29	-	11.29

33. In accordance with IND AS 12 - "Income Taxes," the company has recognized a deferred tax asset amounting to INR 45,39,133/-. This recognition is based on the reasonable certainty of the availability of future taxable profits against which this deferred tax asset can be utilized.
34. With respect to the pending litigations, the company has not provided for additional financial commitment over and above the amount due and appearing in the books of accounts to the various litigations.
35. The figures in brackets relate to Previous year and regrouped / reclassified to confirm to the requirements of schedule III.

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36. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities (“intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“ultimate beneficiaries”) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries as per Clause (e)(i) of Rule 11 of Companies Audit and Auditors Rules, 2014.
37. No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding parties”), with the understanding, whether recorded in writing or otherwise, the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries as per Clause (e)(ii) of Rule 11 of Companies Audit and Auditors Rules, 2014.

As per our Report of even date attached

**For Ray & Ray
Chartered Accountants
Regn.No.301072E**

**V. Raman
Partner
Membership No.019839
Place: Chennai
Date : 29.05.2024**

For and on behalf of the Board of Directors

**Dilip Machado
Director
DIN : 06895289**

**Anil Kumar Padhiali
Company Secretary**

**J. Rafiq Ahmed
Vice Chairman &
Managing Director
DIN : 02861341**

**Hari Kishore
Chief Financial Officer**

Other Informations :

- 1. Going Concern Disclosure :** The financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.
- 2. IND AS 113 – Fair Value Measurement :** The Company has applied IND AS 113 to measure the fair value of its financial instruments and other assets as required. The fair value hierarchy used for measurement and disclosures is in accordance with the prescribed levels in IND AS 113.

- 3. Trade Receivables Aging Schedule :** The trade receivables aging schedule is as follows:

Less than 6 months: ₹ -32.56 Lakhs
6 months – 1 year: ₹ 14.61 Lakhs
1 year – 2 years: ₹ 34.53 Lakhs
More than 2 years: ₹ 2.51 Lakhs

- 4. Trade Payables Aging Schedule :** The trade payables aging schedule is as follows:

Less than 1 year: ₹ 39.04 Lakhs
1 year – 2 years: Nil
More than 2 years: Nil

- 5. Financial Risk Management :** The Company is exposed to various financial risks, including market risk, currency risk, credit risk, and liquidity risk. The Company's risk management framework is designed to identify and mitigate these risks:

Market Risk : The Company manages market risk through diversification and hedging strategies.

Currency Risk : Exposure to currency risk is managed through forward contracts and natural hedges.

Credit Risk : The Company manages credit risk by setting credit limits and monitoring the creditworthiness of customers.

Liquidity Risk : The Company maintains sufficient cash and liquid investments to meet its obligations.

- 6. IND AS 19 – Employee Benefits :** The Company has made the following disclosures as per IND AS 19:

Investment Risk : The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields on government bonds at the end of the reporting period.

Interest Rate Risk : A decrease in the bond interest rate will increase the plan liability.

Salary Risk : Higher-than-expected salary increases will increase the defined benefit obligation.

Longevity Risk : The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants.

Attrition Rate : The actuarial assumption for employee attrition is based on the Company's past history.

Expected Rate of Return on Plan Assets : The expected rate of return on plan assets is based on the average long-term rate of return expected on investments of the fund during the estimated term of the obligation.

- 7. Additional Disclosures:**

- a) The Company does not have any benami property, and no proceedings have been initiated or are pending against the Company.
- b) The Company has not traded or invested in cryptocurrency or virtual currency during the financial year.

Kothari Industrial Corporation Limited

- c) The Company has not advanced, loaned, or invested funds to any entity with the understanding that they will lend, invest, or provide guarantees on behalf of ultimate beneficiaries.
- d) The Company has not received any funds from any entity with the understanding that the Company will lend, invest, or provide guarantees on behalf of ultimate beneficiaries.
- e) The Company does not have any transactions not recorded in the books of accounts that have been surrendered or disclosed as income during the year under the Income Tax Act, 1961.
- f) The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013.
- g) The Company has not been declared a wilful defaulter by any bank, financial institution, or lender during the year.
- h) The Company does not have any charges or satisfaction pending for registration with ROC beyond the statutory period.
- i) Quarterly returns or statements of current assets filed with banks or financial institutions are in agreement with the books of accounts.
- j) The Company has used the borrowings from banks and financial institutions for the specific purpose for which they were obtained.
- k) The title deeds of all immovable properties disclosed in the financial statements are held in the name of the Company as at the balance sheet date.
- l) The Company does not have any transactions with companies that have been struck off.
- m) The Indian Parliament has approved the Code on Social Security, 2020, which may impact contributions towards Provident Fund and Gratuity. The Company will assess the impact and provide appropriate disclosures once the corresponding rules are notified.

8. Financial Assets – Investment at Fair Value Through OCI : These equity shares are designated as FVTOCI to reflect the Company's intention to hold these investments for strategic purposes rather than for trading. This designation is made to avoid volatility in the profit or loss statement due to changes in market value.

9. Payment to Auditors : The payment to auditors for the financial year is as follows:

Statutory Audit: ₹ 300,000/-

Tax Audit: ₹ 50,000/-

Other Services: NIL

10. Category-wise Classification of Financial Instruments:

Financial Assets Measured at Amortized Cost: NIL

Financial Assets Measured at FVTPL: ₹ 999,940/-

Financial Assets Measured at FVTOCI: NIL

Financial Liabilities Measured at Amortized Cost: NIL

11. No Significant Changes:

- a. There have been no changes in the composition of the entity during the period.
- b. There have been no business combinations, obtaining or losing control of subsidiaries, or other long-term investments during the period.
- c. No restructuring activities have been undertaken, and no related costs have been provided for or reversed during the period. There have been no discontinued operations during the period.

- 12. No Dividends Paid :** No dividends have been paid during the period ended.
- 13. No Transfers Between Levels of Fair Value Hierarchy :** There have been no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments during the period.
- 14. No Changes in Classification of Financial Assets :** There have been no changes in the classification of financial assets into those at amortized cost, fair value through OCI, or fair value through P&L, during the period.
- 15. No Correction of Prior Period Errors :** There has been no correction of prior period errors during the period.
- 16. Capital Management – Debt-Equity Ratio :** The Company’s capital management strategy focuses on maintaining a healthy debt-equity ratio. As at the end of the period, the debt-equity ratio is 6.94.
- 17. Appointment of Company Secretary :** The Company Secretary of the Company was appointed from 19-03-2018. Prior to this, the position remained vacant.
- 18. Approval of Financial Statements :** The financial statements were approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 29-05-2024.

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Kothari Industrial Corporation Limited

If undelivered please return to :

KOTHARI INDUSTRIAL CORPORATION LIMITED

Regd. Office : "Kothari Buildings" Box No. 3332,
No. 114, Mahatma Gandhi Salai,
Nungambakkam, Chennai - 600 034.