

<b>Board of Directors</b>	:	B.H.Kothari - Chairman & Managing Director G.Narayanaswamy V.R.Deenadayalu P.K.Rudra N.Chandramouli P.S.Balasubramaniam
<b>Company Secretary</b>	:	R.Prakash
<b>Statutory Auditors</b>	:	R.Subramanian and Company Chartered Accountants, Chennai - 600 004
<b>Internal Auditors</b>	:	K.R.Sarangapani & Co. Chartered Accountants, Chennai - 600 083
<b>Legal Advisors</b>	:	S.Ramasubramaniam & Associates Advocates, Chennai - 600 004
<b>Registered Office</b>	:	“Kothari Buildings” No.115, Mahatma Gandhi Salai Nungambakkam Chennai - 600 034 Phone Nos.: 044 - 30281595, 30225616 Fax No. : 044 - 28334560
<b>Registrar &amp; Share Transfer Agent</b>	:	M/s.Cameo Corporate Services Limited Subramanian Buildings, 5 <sup>th</sup> Floor No.1, Club House Road Chennai - 600 002. Phone Nos. 044 - 28460390 to 28460394 Fax No.044 - 28460129
<b>Listing</b>	:	The National Stock Exchange of India Limited (NSE), Mumbai

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<b>Stock Code</b>	:	<b>KOTHARIPET</b> ISIN No.INE720A01015
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## **NOTICE TO THE MEMBERS**



Notice is hereby given that the 19th Annual General Meeting of Kothari Petrochemicals Limited will be held on Thursday, September 18, 2008 at 11.00 A.M. at The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 to transact the following business:

### **Ordinary Business**

1. To receive and adopt the audited statement of Accounts for the year ended March 31, 2008 and to consider the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. P.S.Balasubramaniam, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Mr. G.Narayanaswamy, who retires by rotation and being eligible offers himself for re-appointment.
4. Appointment of Auditors

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“RESOLVED that subject to the provisions of Sections 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs R. Subramanian and Company, Chartered Accountants, Chennai, the retiring Auditors be and are hereby appointed as Auditors of the Company, to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board”.

By Order of the Board  
for **Kothari Petrochemicals Limited**

Place : Chennai  
Date : July 28, 2008

**R.Prakash**  
Company Secretary

### **Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. PROXIES SHOULD BE LODGED WITH REGISTERED OFFICE OF THE COMPANY AT ANY TIME NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. A member or proxy should fill the enclosed attendance slip and deposit the same at the entrance of the meeting hall.
3. All correspondence concerning change of address, transfer of shares etc. may be made to the Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited.
4. Share Transfer books and Register of Members will remain closed from Thursday, 11.09.2008 to Thursday, 18.09.2008 (both days inclusive)
5. Shareholders are requested to bring copies of their Annual Reports, as no additional copies will be provided.

THE INFORMATION IN RESPECT OF ITEM NO.2 & 3 PURSUANT TO SEBI CODE FOR CORPORATE GOVERNANCE ABOUT DIRECTORS SEEKING RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER

Particulars	Item No.2	Item No.3
Name of the Director	Mr.P.S.Balasubramaniam	Mr.G.Narayanaswamy
Date of Birth	July 12, 1944	April 27, 1928
Date of Appointment	September 26, 2003	October 26, 2005
Qualification	Graduate in Commerce (B.Com.) Member of Institute of Chartered Accountants of India (A.C.A.) Member of Institute of Company Secretaries of India (A.C.S.)	Bachelor of Science (B.Sc.) Fellow of Institute of Chartered Accountants of India (F.C.A.)
Experience in specific functional areas	He has over 40 years of experience at Middle and Senior Management levels in the Financial Services Sector. He was the Managing Director of Investment Trust of India Ltd., President of Federation of Indian Hire Purchase Association, Chairman of Equipment Leasing Association of India and Vice President of Asian Leasing Association, representing India.	He has experience of more than 5 decades in the Accounting and Auditing profession. He is a senior partner of M/s. S.Venkatraman & Co., Chartered Accountants, Chennai.
List of other Companies in which Directorship held	1. Kothari Safe Deposits Ltd. 2. Kothari Biotech Ltd. 3. Kothari International Trading Ltd. 4. ITI Financial Services Ltd. 5. Mahaveer Finance India Ltd. 6. M/s. Equipment Leasing Association (India) 7. M/s. South India Hire Purchase Association	1. Southern Electronics Bangalore Private Limited 2. Grams Electronics Bangalore Private Limited 3. Watanmal India Private Limited 4. Conster Chemicals Limited
Chairman/ Member of the Committee of the Board of Directors of the Company	Share Transfer cum Shareholder Grievances Committee - Member	Audit Committee - Chairman
Chairman/ Member of the Committee of the other companies in which he is a Director	1. Kothari Safe Deposits Limited, Share Transfer Committee - Member 2. ITI Financial Services Limited, Audit Committee - Chairman	Nil

**To the Members**

The Directors submit the Annual Report of the Company together with the audited statement of accounts for the year ended March 31, 2008.

**1. Financial Performance**

(Rs. in Lakhs)

Particulars	2007-2008	2006-2007
PBIDT	907.92	733.97
Interest	--	--
Profit after Interest	907.92	733.97
Depreciation & Goodwill	222.93	180.84
Profit after Depreciation & Goodwill	684.99	553.13
Fringe Benefit Tax & Provision for Taxation	66.23	1.26
Profit After Tax	618.76	551.87

**2. Performance for the financial year 2007-08**

The Company has achieved a turnover of Rs.10,080.26 Lakhs for the year ended March 31, 2008.

The plant adheres to excellent safety norms and conducts periodical audits, training programme on chemical and safety exercises. The entire plant area is covered with green belt and additional efforts for improving the same will continue in the coming years. The plant adopts zero effluent concept.

Today, our Plant has been operating with both Quality Management System (ISO 9001:2000) and Environmental Management System (ISO 14001: 2004) after a surveillance audit was conducted by M/s.Det Norske Veritas, Germany.

**3. Dividend**

The Directors do not recommend a dividend for this year, in view of the carried forward accumulated losses.

**4. Plant Capacity**

The Plant enhanced its capacity from 11000 TPA to 22000 TPA to augment the growing demand for special grades PIB around the world. The Company continued to expand its presence in the international market through increased exports during the current financial year.

**5. Disclosure under Section 217(2A) and 217(1)(e) of the Companies Act, 1956**

As required under the provision of sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, particulars of employees are required to be set out in the annexure to the Directors' Report. However, as per provision of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and the accounts are being sent to all the shareholders excluding the aforesaid information. Any shareholder desirous of obtaining the same may write to the Company Secretary.

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is furnished in Annexure 'I'

**6. Public Deposit**

The Company has not accepted any Public Deposit during the year and there was no outstanding deposit anytime during the year.

**7. Directors**

Mr. P.S.Balasubramaniam & Mr. G.Narayanaswamy, Directors, retire by rotation and being eligible offer themselves for re-appointment.

**8. Director's Responsibility Statement**

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv. that the directors had prepared the annual accounts on a going concern basis.

**MANAGEMENT DISCUSSION AND ANALYSIS**

Kothari Petrochemicals Limited (KPL) is the largest manufacturer of polyisobutene (PIB) in India. The company enjoys a strong market position in India with a rapidly growing brand across the globe that represents quality, customer responsiveness, dependability and a commitment to the environment. KPL's growth continues in the financial year 2007-2008, KPL expanded its capacity in Manali and doubled its production to 22,000 MT per annum in order to supply PIB worldwide.

**Industry Structure and Development**

KPL is a part of India's growing petrochemical industry. KPL utilizes liquefied petroleum gas (LPG) as its primary raw material, and produces PIB, which is mainly used in downstream petrochemical applications. KPL's PIB product line comprises of several molecular weight grades, each of which can be applied to a wide range of uses in chemical, rubber, plastics, paper petroleum and lube oil industries.

The PIB industry worldwide continues to expand to compensate for increasing demand, and is now dominated by a small number of large producers in various countries.

**Outlook**

Polybutene consumption is most influenced by the market for fuel and oil additives, which in turn, is a function of lubricant sales. Demand for PIB remains relatively constant, with primary drivers for growth arising from new applications of PIB in various industries. While demand for two-stroke engines is likely to decline across South Asia and Southeast Asia, other, more advanced industrial applications of PIB continue to drive the market demand for PIB across the world. The strongest growth in PIB demand is in Asia, a region in which KPL has grown as a trusted supplier to many large companies, such as Exxon Mobil, Infineum, Chevron, BP Castrol and Lubrizol. Despite continued raw material cost pressures arising from volatile crude oil prices, the list of advanced applications for PIB continues to grow. KPL is thus well positioned to supply the world market with international quality PIB, to meet this growing demand.

**Opportunities**

Rapid economic development throughout Asia continues to shift the demand curve upward across all grades of PIB. Due to our proximity to Asia, and the internationally accepted quality of our product line, KPL is well positioned to serve the rapidly growing Asian market.

Customers in India and abroad are demanding higher quality PIB for more advanced applications. To meet this demand, KPL has continuously been on the path to innovate and improve the quality of all grades of PIB.

As a result, KPL's quality is on par with European and Asian PIB suppliers, which translates to sales across all geographies and a wide range of industry segments.

KPL is committed to implementing advanced processes and methods to minimize cost of production and maximize production and process efficiencies. As a result, KPL has continued to produce PIB for customers in need even while our competitors reduce production due to volatile market conditions.

**Threats**

The petrochemicals industry is affected by demand for end-products. Because our business is dependent on the requirements of downstream end-product companies for our products, periods of downturn and over capacity may lead to reduced demand for our products. To mitigate such threats, KPL maintains a diversified portfolio of customers across geographies and product requirements.

The period of 2007-2008 witnessed a historically dramatic increase in crude prices, and in turn Liquefied Petroleum Gas (LPG) prices. Since KPL is heavily dependent upon LPG, sharp increases in raw material costs pose a threat for the company's ability to maintain profit. To reduce this threat, KPL continues to negotiate with all customers on price and volume to preserve profit despite volatility in raw material costs.

In international markets, KPL faces competition that provides high quality PIB at low prices due to economies of scale and market entrenchment. Price competition within India from international suppliers seeking market entry has also presented a threat through downward pressure on price realization. To lessen this threat, KPL continues to improve the quality of its product line to offer product at parity with international competitors, reduce our cost of production to provide flexibility in pricing while maintaining profit, and seek a wide range of customers in segments underserved by large international PIB suppliers, and thus, enjoy better realizations.

Despite efforts to mitigate foreign competitors' dumping product into India at prices well below cost of production, the threat still remains. Dumped PIB at deeply discounted prices results in lost revenue for KPL and its domestic competitors, and serves as a disruptive force in the Indian market. KPL is uniquely prepared to export larger quantities of PIB outside of India so that the adverse effects of such tactics would be mitigated.

**Risks and Concerns**

As KPL increases its exports, the company will become more exposed to potential volatility in foreign exchange. To mitigate this risk, KPL has established a Treasury function to actively manage potential transaction cost risks arising from foreign exchange.

KPL has recently increased its annual production capacity to 22,000 MT per annum. Risks of any expansion include: market saturation and less demand than forecasted and supply chain difficulties. As of now, the benefits brought about by such capacity expansion have been in line with KPL's expectations. KPL has established systems to evaluate and forecast market demand and supply chain requirements and refers to these forecasts and evaluations on a regular basis.

KPL procures raw materials from multiple sources whenever possible to ensure adequate supplies for volume production and to mitigate purchase concentration risk. To lower the risk of potential price increases, KPL seeks to establish long-term contracts with these suppliers. KPL also continues to look for additional sources of materials.

**9. Internal Control Systems and their adequacy**

KPL maintains an adequate internal control system that provides effectiveness and efficiency of operations, accuracy and reliability of financial reporting, compliance with applicable laws and regulations.

The Audit Committee of KPL comprises of qualified and Independent Directors which reviews the adequacy of internal controls on a periodic basis.

**10. Human Resources / Industrial Relations**

The total number of employees are at 93 and over 75% are professionally / technically qualified and experienced.

**11. Corporate Governance**

We believe that Corporate Governance is at the heart of Shareholder value creation. Our governance practices along with the Auditor's Certificate on its compliance are attached hereto as an Annexure to this report.

**12. Re-appointment of Auditors**

The Auditors, M/s.R.Subramanian and Company, Chartered Accountants, Chennai, retire at the Annual General Meeting and have confirmed their eligibility to accept Office, if re-appointed.

**13. Acknowledgement**

The Board acknowledges the co-operation and support extended by the Employees, consultants, suppliers, customers and all its business associates.

The Directors place on record their appreciation for the continued support and co-operation they have received from Financial Institutions, Banks, Central and State Governments.

On behalf of the Board  
for **Kothari Petrochemicals Limited**

Place : Chennai  
Date : July 28, 2008

**B.H. Kothari**  
Chairman and Managing Director

**FORM A**

**Form for disclosure of particulars with respect to conservation of energy**

**A. Power and fuel consumption**

<b>1. Electricity</b>	Current year	Previous year
<b>(a) Purchased</b>		
Unit (Kwh)	51,99,860	46,02,750
Total Amount (Rs.)	2,32,07,657	1,68,90,848
Rate/unit (Rs.)	4.46	3.67
<b>(b) Own generation</b>		
<b>(i) Through diesel generator</b>		
Units	5,84,252	1,72,140
Unit per-litre of diesel oil	3.15	3.18
Cost/Units	10.50	10.79
<b>(ii) Through steam turbine/generator</b>		
Units	--	--
Units per-litre of fuel oil/gas	--	--
Cost/units	--	--
<b>2. Coal (specify quality and where used)</b>		
Quantity (kilo litres)	--	--
Total cost	--	--
Average rate	--	--
<b>3. Furnace oil</b>		
Quantity (kilo litres)	--	--
Total amount	--	--
Average rate	--	--
<b>4. Others/internal generation (please give details)</b>		
Quantity	--	--
Total cost	--	--
Rate/unit	--	--

**B. Consumption per unit of production**

	Standard (if any)		
Products (with details) in MT	--	11,981.50	10,667.50
Electricity (Unit per MT)	--	482.75	447.11
Furnace oil	--	--	--
Coal (specify quality)	--	--	--
Others (specify)	--	--	--

**B. TECHNOLOGY ABSORPTION**

**FORM B**

(Form for disclosure of Particulars with respect to Technology Absorption)

Research and Development (R & D)	:	Nil
Expenditure on R & D	:	Nil
Technology absorption, adoption and innovation	:	Nil

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total Foreign Exchange used and earned (Rs. in lakhs)

a.	Total Foreign Exchange earned	2205.34
b.	Total Foreign Exchange outflow	25.43

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2007-08**

(As required by Clause 49 of the Listing Agreement of the Stock Exchange)

**1. Company's Philosophy on Corporate Governance**

The Company adheres to good corporate practices, and is constantly striving to better them keeping in mind the best practices. In our commitment to practice Corporate Governance, we are guided by core principles i.e. accountability, compliances, disclosures, ethical conduct, transparency and promote the interests of stakeholders including customers, employees, lenders, vendors, governments, institutions and the society. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global petrochemicals company.

**2. Board of Directors**

The present strength of the Board is six, comprising of three independent directors and it meets the requirements of the Clause 49 of Listing Agreement.

The Board of Directors details as on March 31, 2008 are tabulated hereunder:

Name of the Director	Category	No. of Board Meetings Attended	Attendance at previous AGM held on Sep 20, 2007	No. of Directorship in other public companies	No. of Committee positions (as Member/ Chairman) held in other public Companies	
					Member	Chairman
Mr.B.H.Kothari	Chairman & Managing Director	5	Present	03	02	Nil
Mr.G.Narayanaswamy	Independent	5	Present	01	Nil	Nil
Mr.V.R.Deenadayalu	Independent	5	Present	02	Nil	Nil
Mr.P.K.Rudra	Independent	5	Present	Nil	Nil	Nil
Mr.N.Chandramouli	Non-Independent	4	Present	01	Nil	Nil
Mr.P.S.Balasubramaniam	Non-Independent	3	LOA	05	01	01

**Board Meetings held during the financial year 2007-2008**

April 25, 2007	July 30, 2007	September 20, 2007	October 24, 2007	January 22, 2008
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**3. Committees of the Board**

The Board has set up the following Committees as required by Corporate Governance:

**a. Audit Committee**

Sl.No.	Name of the Member	Category	Meetings Held	Meetings participated
1.	Mr.G.Narayanaswamy	Chairman	4	4
2.	Mr.N.Chandramouli	Member	4	3
3.	Mr.V.R.Deenadayalu	Member	4	4

**b. Audit Committee Meetings held during the financial year 2007-2008**

April 25, 2007	July 30, 2007	October 24, 2007	January 22, 2008
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**c. Board reference to the Audit Committee**

The Auditors of the Company (both Statutory and Internal Auditors) participate in the Audit Committee meetings as also the Vice President - Finance and other operational heads, of the Company. The Company Secretary acts as the Secretary of the Audit Committee. The powers and role of the Audit Committee are as specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Board's terms of reference of the committee includes the following:

- i. To review the internal controls, with the Management and the Auditors and report to the Board together with recommendations thereto.
- ii. To select and establish accounting policies.
- iii. To review the adequacy of internal audit function, staffing, reporting structure and frequency of internal audits.
- iv. To review the Company's financial and risk management policies.
- v. To approve the Quarterly Unaudited Financial Results for publication.
- vi. To review the Management Discussion and Analysis Report.
- vii. To review the related party transactions submitted by the management.

**d. Share Transfer cum Shareholders' Grievances Committee**

The Share Transfer cum Shareholders' Grievances Committee comprises of Messrs B.H.Kothari, N.Chandramouli and P.S.Balasubramaniam.

During the period under review, this committee has met 19 times and the attendance details of Committee Members is as follows:

Sl.No.	Name of the Member	Category	Meetings Held	Meetings participated
1.	Mr.B.H.Kothari	Chairman	19	18
2.	Mr.N.Chandramouli	Member	19	17
3.	Mr.P.S.Balasubramaniam	Member	19	15

**e. Details of the Complaints received from the Shareholder(s) / Department(s) during the financial year 2007 - 2008.**

Sl. No.	Subject of Complaints	Total Complaints received	Complaints redressed	Redress under process at the year end
1.	Non receipt of Dividend	05	05	Nil
2.	Transfer of Shares	Nil	Nil	Nil
3.	Dematerialisation matters	Nil	Nil	Nil
4.	Non receipt of Annual Reports	03	03	Nil
5.	Others	01	01	Nil
	<b>Total</b>	<b>09</b>	<b>09</b>	<b>Nil</b>
1.	SEBI	Nil	Nil	Nil
2.	Ministry of Corporate Affairs	Nil	Nil	Nil
3.	National Stock Exchange	Nil	Nil	Nil
4.	Registrar of Companies	Nil	Nil	Nil
5.	Consumer forum	Nil	Nil	Nil

**f. Remuneration Committee**

No Remuneration Committee was constituted by the Company during the financial year 2007-08, since no director was in receipt of any remuneration other than sitting fees.

**4. Directors' Sitting Fees**

Sitting fees for the Board/Committee meetings and the details are furnished hereunder:

(Amount in Rs.)

Sl.No.	Name of the Directors	Sitting fees paid		
		Board Meeting	Audit Committee	Total
1.	Mr.B.H.Kothari	25,000	NA	25,000
2.	Mr.G.Narayanaswamy	25,000	16,000	41,000
3.	Mr.V.R.Deenadayalu	25,000	16,000	41,000
4.	Mr.P.K.Rudra	25,000	NA	25,000
5.	Mr.N.Chandramouli	20,000	12,000	32,000
6.	Mr.P.S.Balasubramaniam	15,000	NA	15,000

**5. Annual General Meeting**

Location and time of last three Annual General Meetings are as under:

Year	Venue	Date	Day	Time
2006-2007	The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai-14	September 20, 2007	Thursday	11.30 A.M.
2005-2006		August 28, 2006	Monday	11.00 A.M.
2004-2005		September 14, 2005	Wednesday	10.00 A.M.

**6. Details of Special Resolutions passed during the last three Annual General Meetings**

Date of AGM	Whether any Special Resolution was passed	Particulars
September 20, 2007	Yes	Appointment of Mr.B.H.Kothari, as Managing Director for a period of 5 years w.e.f. 01.12.2006 to 30.11.2011 without remuneration.
August 28, 2006	Yes	Amendment of Memorandum of Association and Article of Association with respect to increase of authorised share capital. A Resolution was Passed by the members to approve the Scheme under section 391-394 of the Companies Act, 1956.
September 14, 2005	No	-

**7. Postal Ballot**

During the financial year 2007-2008 no Special Resolution was passed through Postal Ballot.

**8. Disclosures**

During the financial year 2007-2008, the Company had no materially significant related party transactions, which is considered to have potential conflict with the interests of the Company at large.

There has not been any instance of non-compliance, penalties or strictures imposed by the Stock Exchanges, and / or SEBI on any matter relating to capital markets, in the preceding three years.

The company has adopted a Code of Conduct for its Directors and Senior Management, which has been posted on the Company's website. The Chairman has given a declaration that the Directors and Senior Management of the Company have affirmed the compliance with the Code of Conduct.

As required under Clause 49 of the Listing Agreement a Certificate signed by the Chairman & Managing Director and Vice President - Finance is annexed

**9. Management Discussion and Analysis Report**

A Management Discussion and Analysis Report, which forms a part of the Directors Report, are annexed hereto.

**10. Communication**

The Quarterly, Half Yearly and Annual financial results are published in The Financial Express and Malai Murasu, Chennai. The financial results and other important events are also posted in the Company's website at [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com). The Half-Yearly financial results are not sent individually to the shareholders.

As per Clause 51 of the Listing Agreement financial results and quarterly compliance reports on corporate governance are being filed on Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatics Centre (NIC).

**11. Shareholder Information**
**Annual General Meeting**

Day, Date and Time	Thursday, September 18, 2008 at 11.00 A.M.
Venue	The Music Academy, Mini Hall, Old No.306, New No.168 T.T.K.Road, Chennai – 600 014

**12. Financial Year of the Company**

The Financial Year covers the period from 1st April to 31st March.

Financial Reporting for year 2008-2009 (Tentative)

Results for Quarter ending 30th June, 2008	End July, 2008
Results for Quarter ending 30th September, 2008	End October, 2008
Results for Quarter ending 31st December, 2008	End January, 2009
Results for Quarter ending 31st March, 2009	End April, 2009

**13. Date of Book Closure**

The period of book closure is fixed from Thursday, 11.09.2008 to Thursday, 18.09.2008 (both days inclusive)

**14. Details of the outstanding ADRS/GDRS/WARRANTS OR CONVERTIBLE INSTRUMENTS**

Not applicable.

**15. Listing Particulars**

The shares of the Company are listed at The National Stock Exchange of India Limited, Mumbai and the listing fees for the financial year 2008-09 has been paid.

Stock Code - KOTHARIPET.

**16. Market Price Data: High, Low in each month of the Financial Year 2007-2008 on The National Stock Exchange of India Limited.**

(Amount in Rs.)

Month	High	Low	Month	High	Low
April 2007	6.55	3.85	October 2007	20.00	15.70
May 2007	8.70	5.50	November 2007	28.90	16.20
June 2007	8.30	6.50	December 2007	63.30	29.00
July 2007	9.75	6.25	January 2008	84.95	36.70
August 2007	10.95	7.55	February 2008	42.40	27.55
September 2007	19.85	11.45	March 2008	27.50	14.15

**17. Registrar and Share Transfer Agents**

The Registrar and Share Transfer Agents of the Company is M/s. Cameo Corporate Services Ltd, Chennai.

**18. Distribution of Shareholdings**

No. of Equity shares held	No. of Shareholders	No. of Shares
Upto 5000	7,878	25,02,147
5001-10000	1,802	16,32,350
10001-20000	502	8,40,761
20001-30000	178	4,68,062
30001-40000	64	2,43,098
40001-50000	117	5,69,150
50001-100000	110	8,41,215
100001 and above	111	5,17,49,617
<b>Total</b>	<b>10,762</b>	<b>5,88,46,400</b>

**19. Shareholding Pattern**

Sl. No.	Category	No. of Holders	No. of shares	% of Shares
1.	Resident Indians	10,398	78,27,025	13.30
2.	Domestic Companies	311	69,48,006	11.81
3.	NRIs	30	34,322	0.06
4.	Promoters	12	3,87,16,600	65.79
5.	Directors & Relatives	3	500	0.00
6.	FII's	1	41,900	0.07
7.	Mutual Funds	3	57,100	0.10
8.	Financial Institutions	4	52,20,947	8.87
	<b>Total</b>	<b>10,762</b>	<b>5,88,46,400</b>	<b>100.00</b>

**20. Dematerialisation of Shares**

As on March 31, 2008 95.02% of the Company's shares representing 5,59,14,840 shares were held in dematerialised form and the balance shares were held in physical form.

**ISIN No.INE720A01015**

**21. Plant Location**

No.1/2-B, 33/5, Sathangadu Village, Tiruvottur - Ponneri High Road, Manali, Chennai - 600 068, Tamil Nadu. Tel: 044 - 2594 1308 / 1309, Fax: 044 - 2594 1524

**22. Contacts**

Company's Registered Office	Company Share Transfer Agent
The Company Secretary Kothari Petrochemicals Limited, Kothari Buildings, No.115, Mahatma Gandhi Salai Nungambakkam, Chennai - 600 034. Telephone Nos. 044 - 30281595, 30225616 Fax Nos. 044 - 28334560 e-mail : investorskpl@hckgroup.com	M/s.Cameo Corporate Services Limited <b>Unit:</b> Kothari Petrochemicals Limited Subramanian Building, 5 <sup>th</sup> Floor, No.1 Club House Road, Chennai - 600 002 Telephone No. 044 - 28460390 (5 Lines) Fax No. 044 - 28460129 e-mail : investors@cameoindia.com

On behalf of the Board  
 for **Kothari Petrochemicals Limited**

Place : Chennai

Date : July 28, 2008

**B.H. Kothari**  
 Chairman and Managing Director

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2008.

for **Kothari Petrochemicals Limited**

Place : Chennai

Date : July 28, 2008

**B.H. Kothari**  
 Chairman and Managing Director

**CERTIFICATE UNDER SUB CLAUSE V OF CLAUSE 49 OF LISTING AGREEMENT**

We, B.H.Kothari, Chairman & Managing Director and N.S.Rangachari, Vice President - Finance of the Company hereby confirm and certify that:

- a. We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the company'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 company during the year which are fraudulent, illegal or violative of the company'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 company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee
  - i. significant changes in internal control over financial reporting during the year.
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Chennai  
Date : July 28, 2008

**B.H.Kothari**  
Chairman and Managing Director

**N.S.Rangachari**  
Vice President - Finance

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Kothari Petrochemicals Limited

We have examined the compliance of conditions of Corporate Governance of M/s. Kothari Petrochemicals Limited, for the year ended March 31, 2008 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained and certified by the Registrars and Share Transfer Agents of the company, there were no investors' grievances remaining unattended / pending for more than 30 days as at March 31, 2008.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency of effectiveness with which the management has conducted the affairs of the company.

for R. Subramanian and Company  
Chartered Accountants

Place : Chennai  
Date : July 28, 2008

**R.Rajaram**  
Partner  
M.No.25210

**REPORT OF THE AUDITORS TO THE MEMBERS OF KOTHARI PETROCHEMICALS LIMITED**

1. We have audited the attached Balance Sheet of Kothari Petrochemicals Limited as at 31st March 2008 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent they are applicable to the company.
4. Further to our comments in the annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 such books.
  - c) The Balance Sheet, Profit and Loss account and Cash Flow Statement referred to in this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e) On the basis of the written representations received from Directors and taken on record by the Board of Directors, we report that none of the Director is disqualified as on March 31, 2008 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and schedules attached thereto, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:
    - i) in so far as it relates to the Balance Sheet, the state of affairs of the company as at March 31, 2008.
    - ii) in so far as it relates to the Profit and Loss account, of the profit for the year ended on that date, and
    - iii) in so far as it relates to the Cash Flow Statement, of the Cash Flow for the year ended on that date.

for R. Subramanian and Company  
Chartered Accountants

Place : Chennai  
Date : July 28, 2008

**R.Rajaram**  
Partner  
M.No.25210

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
3. No major asset has been disposed off during the year and hence the concept of going concern is not affected.
4. Inventories were physically verified during the year by the management at reasonable intervals.
5. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management was reasonable and adequate in relation to the size of the Company and the nature of its business.
6. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
7. The company has not granted any unsecured advance to Companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved is nil and year end balance was nil.
8. The company has not taken any advance from Companies, firms covered in the register maintained under Section 301 of the Companies Act 1956. The maximum amount involved in respect of advances taken in earlier year is Rs.87.70 Lakhs and year end balance was Rs.18.35 Lakhs.
9. According to the information and explanations given to us the advances carry no interest terms and condition of the advances availed during earlier years are not prima facie prejudicial to the interest of the Company. These advances have no period specified for repayment.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and there was no continuing failure to correct any major weakness.
11. In our opinion and according to the explanations given to us, transactions made in pursuance of contracts or arrangements requiring entry in the registers maintained under Section 301 of the Companies Act, 1956, have been entered.
12. The company has no fixed deposits requiring compliance of provisions of Section 58 and 58 AA or any other relevant provisions of the act.
13. The Internal Audit function has been carried out by a firm of Chartered Accountants and is commensurate with the size of the company and the nature of its business.
14. To the best of our knowledge and according to the information and explanations given to us the company 's present business does not require the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
15. According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Income Tax, Sales Tax and any other statutory dues with the appropriate authorities during the year. The company has no dues towards Provident Fund, Investor Education and Protection Fund, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess.

## **AUDITOR'S REPORT**



16. According to the information and explanations given to us, there is no undisputed amount payable towards Sales Tax or Income Tax.
17. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, and Excise Duty, which have not been deposited on account of any dispute.
18. The accumulated losses of the Company have not exceeded fifty per cent of net worth at the end of the year. The Company has not incurred any cash loss during the financial year and the immediately preceding financial year.
19. The Company has no dues to financial institutions, banks and debenture holders during the year.
20. The Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
21. In our opinion and according to the information and explanations given to us the Company is dealing in, trading in shares, debentures and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made there in. These shares, debentures and other securities have been held by the company.
22. In our opinion and according to the information and explanations given to us the Company has not given any guarantee for any loans taken by others from banks and financial institutions during the financial year.
23. To the best of our knowledge and belief and according to the information and explanations given to us, no term loan was availed by the Company during the year.
24. In our opinion and according to the information and explanations given to us the Company has made preferential allotment of shares to companies firms covered in the register maintained under Section 301 of the Companies Act, 1956 and the price at which they have been allotted are not prejudicial to the interest of the company.
25. The Company has not made any public issue of shares during the year and hence the question of verifying the end use of the funds does not arise.
26. According to the information and explanations given to us and the records examined by us, no debentures have been issued during the year.
27. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the financial year.

For R. Subramanian and Company  
Chartered Accountants

Place : Chennai  
Date : July 28, 2008

**R.Rajaram**  
Partner  
M.No.25210

KOTHARI PETROCHEMICALS LIMITED

Balance Sheet as at March 31, 2008

(Amount in Rs.)

	Particulars	Schedule	As on 31.03.2008	As on 31.03.2007
<b>I</b>	<b>SOURCES OF FUNDS</b>			
	<b>1. Shareholders Funds</b>			
	a) Capital	A	<b>591,867,500</b>	591,867,500
	b) Reserves and Surplus	B	<b>40,000</b>	40,000
	<b>Total</b>		<b>591,907,500</b>	591,907,500
<b>II</b>	<b>APPLICATION OF FUNDS</b>			
	<b>1. Fixed Assets</b>			
	a) Gross Block	C	<b>363,478,680</b>	169,215,852
	b) Less : Accumulated Depreciation		<b>41,553,554</b>	19,260,003
	c) Net Block		<b>321,925,126</b>	149,955,849
	Capital Work in Progress		-	28,873,165
			<b>321,925,126</b>	178,829,014
	<b>2. Investments</b>	D	<b>25,851,933</b>	121,410,645
	<b>3. Current Assets, Loans and Advances</b>			
	<b>Current Assets :</b>	E		
	a) Inventories		<b>42,477,201</b>	31,568,462
	b) Sundry Debtors		<b>55,028,892</b>	23,339,332
	c) Cash and Bank Balances		<b>8,876,010</b>	25,644,638
	d) Loans and Advances		<b>141,678,194</b>	111,026,867
			<b>248,060,297</b>	191,579,300
	<b>Less:Current Liabilities and Provisions</b>	F		
	a) Liabilities		<b>76,583,945</b>	40,668,595
	b) Provisions		<b>6,353,000</b>	125,589
			<b>82,936,945</b>	40,794,184
	Net Current Assets		<b>165,123,352</b>	150,785,116
	Profit and Loss Account		<b>79,007,089</b>	140,882,725
	<b>Total</b>		<b>591,907,500</b>	591,907,500

Schedules A to F and Notes in Schedule L form an integral part of this Balance Sheet and should be read in conjunction therewith

This is the Balance Sheet referred to in our report of even date

For and on behalf of the Board

for R.Subramanian and Company  
Chartered Accountants

**B.H. Kothari**  
Chairman & Managing Director

**P.S.Balasubramaniam**  
Director

**R.Rajaram**  
Partner

Place : Chennai  
Date : July 28, 2008

**R.Prakash**  
Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008**



(Amount in Rs.)

Particulars	Schedule	For the Year Ended	
		31.03.2008	31.03.2007
<b>INCOME</b>			
Sales (Gross)	G	<b>1,008,025,849</b>	839,564,101
Less : Excise Duty		<b>111,843,531</b>	106,006,962
Sales (Net)		<b>896,182,318</b>	733,557,139
Other Income	H	<b>10,077,286</b>	8,614,698
		<b>906,259,604</b>	742,171,837
Increase / (Decrease) in stock of Work in Process and Finished Goods	I	<b>174,822</b>	12,663,388
<b>Total</b>		<b>906,434,426</b>	754,835,225
<b>EXPENSES</b>			
Material cost	J	<b>673,909,968</b>	560,458,707
Manufacturing & Other Expenses	K	<b>141,731,770</b>	120,979,295
		<b>90,792,688</b>	73,397,223
<b>Profit Before Interest &amp; Depreciation</b>		<b>90,792,688</b>	73,397,223
Less : Depreciation		<b>7,233,551</b>	3,024,303
Less : Goodwill Amortisation		<b>15,060,000</b>	15,060,000
<b>Profit / (Loss) before Tax</b>		<b>68,499,137</b>	55,312,920
Less : Provision for Taxation		<b>5,953,000</b>	-
Less : Fringe benefit tax		<b>670,501</b>	125,589
<b>Profit / (Loss) for the Year after Tax</b>		<b>61,875,636</b>	55,187,331
Profit / (Loss) brought forward from previous year		<b>(140,882,725)</b>	(196,070,057)
<b>Balance carried to Balance Sheet</b>		<b>(79,007,089)</b>	(140,882,725)
<b>Number of Equity Shares</b>		<b>58,846,400</b>	58,846,400
<b>Basic and Diluted Earnings Per Share - Face Value Rs.10</b>		<b>1.05</b>	0.94

Schedules G to K and Notes in Schedule L form an integral part of this Profit & Loss Account and should be read in conjunction therewith  
This is the Profit & Loss Account referred to in our report of even date

For and on behalf of the Board

for R.Subramanian and Company  
Chartered Accountants

**B.H. Kothari**  
Chairman & Managing Director

**P.S.Balasubramaniam**  
Director

**R.Rajaram**  
Partner

Place : Chennai  
Date : July 28, 2008

**R.Prakash**  
Company Secretary

Particulars	2007 - 2008		2006-2007	
<b>A. Cash Flow from Operating Activities :</b>				
Net Profit / (Loss) after extraordinary items		<b>684.99</b>		553.13
Adjustments for :				
Depreciation	<b>72.34</b>		30.24	
Provision for diminution in value of short term investments	-		1.69	
Pre-operative Expenses written off	-		(2.06)	
Interest received	<b>(0.61)</b>		(8.72)	
Amortisation of Goodwill	<b>150.60</b>		150.60	
Income from Investments	<b>(76.13)</b>		(66.44)	
(Profit) / Loss on Sale of Investments	-		(2.57)	
		<b>146.19</b>		102.74
<b>Operating Profit before Working Capital Changes</b>		<b>831.19</b>		655.87
Trade Debtors and Other Receivables	<b>(316.90)</b>		(233.36)	
Loans and Advances	<b>(306.51)</b>		(463.59)	
Inventories	<b>(109.09)</b>		(315.68)	
Trade payables	<b>357.90</b>		386.99	
		<b>(374.60)</b>		(625.64)
<b>Cash generated from Operations</b>		<b>456.59</b>		30.23
<b>Less : Direct Taxes Paid</b>		<b>2.71</b>		1.26
<b>Net Cash Generation from Operating Activities - A</b>		<b>453.88</b>		28.97
<b>B. Cash Flow from Investing Activities :</b>				
Purchase of Fixed Assets		<b>(1,942.63)</b>		(1,667.52)
Capital Work in Progress		<b>288.73</b>		(288.73)
Interest Received		<b>0.61</b>		8.72
Dividend Income		<b>76.13</b>		66.44
Purchase / Sale of Investments (Net)		<b>955.59</b>		(888.63)
		-		-
<b>Net Cash used in Investing Activities - B</b>		<b>(621.57)</b>		(2,769.72)
<b>C. Cash Flow from Financing Activities :</b>				
Issue of Share Capital		-		2,664.01
Net Cash used in Financing activities - C		-		2,664.01
Net Increase / (Decrease) in Cash and Cash equivalents-A+B+C		<b>(167.69)</b>		(76.74)
Cash and Cash equivalents at the beginning of the year		<b>256.45</b>		333.19
Cash and Cash equivalents at the close of the year		<b>88.76</b>		256.45

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board

 for R.Subramanian and Company  
 Chartered Accountants

**B.H. Kothari**  
 Chairman & Managing Director

**P.S.Balasubramaniam**  
 Director

**R.Rajaram**  
 Partner

 Place : Chennai  
 Date : July 28, 2008

**R.Prakash**  
 Company Secretary

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**

Schedule - A	(Amount in Rs.)	
	As at 31.03.2008	As at 31.03.2007
<b>Share Capital</b>		
<b>Authorised Capital</b>		
<b>Equity Share Capital</b>		
60,000,000 Equity Shares of Rs.10/-each	<b>600,000,000</b>	600,000,000
<b>Preference Share Capital</b>		
600,000 Redeemable Preference Shares of Rs.100/- each	<b>60,000,000</b>	60,000,000
<b>Total</b>	<b>660,000,000</b>	660,000,000
<b>Issued Capital</b>		
59,640,700 Equity Shares of Rs.10/- each	<b>596,407,000</b>	596,407,000
<b>Subscribed / Paid up Capital</b>		
58,846,400 Equity Shares of Rs.10/- each	<b>588,464,000</b>	588,464,000
Add: Forfeited Shares	<b>3,403,500</b>	3,403,500
<b>Total</b>	<b>591,867,500</b>	591,867,500
<b>Schedule - B</b>		
Reserves & Surplus		
Capital Reserve	-	-
Amount received on re-issue of forfeited Shares	<b>40,000</b>	40,000
<b>Total</b>	<b>40,000</b>	40,000

**Schedule - C**  
**Fixed Assets**

(Amount in Rs.)

Description	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	As at 01.04.2007	Additions	Deletion / Adjustment	As at 31.03.2008	Upto 31.03.2007	For the year	Deductions	Upto 31.03.2008	As at 31.03.2008	As at 31.03.2007
Lands	27,847,000	-	-	27,847,000	-	-	-	-	27,847,000	27,847,000
Buildings	10,409,030	53,175,693	-	63,584,723	310,875	1,050,904	-	1,361,779	62,222,944	10,098,155
Computer	755,985	173,940	-	929,925	638,636	85,725	-	724,361	205,564	117,349
Office Equipment	379,887	1,240,097	-	1,619,984	126,517	76,597	-	203,114	1,416,870	253,370
Plant & Machinery	52,851,380	137,983,098	-	190,834,478	2,459,092	5,824,517	-	8,283,609	182,550,869	50,392,288
Vehicles	1,539,776	1,690,000	-	3,229,776	639,743	188,370	-	828,113	2,401,663	900,033
Furniture & Fittings	132,794	-	-	132,794	25,140	7,438	-	32,578	100,216	107,654
Goodwill	75,300,000	-	-	75,300,000	15,060,000	15,060,000	-	30,120,000	45,180,000	60,240,000
<b>Total</b>	<b>169,215,852</b>	<b>194,262,828</b>	<b>-</b>	<b>363,478,680</b>	<b>19,260,003</b>	<b>22,293,551</b>	<b>-</b>	<b>41,553,554</b>	<b>321,925,126</b>	<b>149,955,849</b>
Capital Work in Progress	28,873,165	-	28,873,165	-	-	-	-	-	-	28,873,165
Previous year	2,465,011	-	-	169,215,852	19,260,003	1,175,700	-	19,260,003	149,955,849	1,289,311

**Schedule - D**

(Amount in Rs.)

**Investments**

**As at**  
**31.03.2008**      **As at**  
**31.03.2007**

A. Investments in Mutual Funds (at cost)-(Short term)	<b>25,839,849</b>	121,223,148
Market Value Rs.25,925,559.13 As on 31-03-2008		
Market Value Rs.122,122,776.42 As on 31-03-2007		
B. Investment in Shares (at cost) - (quoted)	<b>12,084</b>	187,497
Market Value Rs.12,084.00 As on 31-03-2008		
Market Value Rs.187,496.55 As on 31-03-2007		

**Total**

**25,851,933**

**121,410,645**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**



**A. Investments in Mutual Funds**

(Amount in Rs.)

As at		Name of the Scheme	As at	
31.03.2008	31.03.2007		31.03.2008	31.03.2007
No. of Units			Cost	
97,799.51	-	AIG India Equity Fund Regular-Growth	963,912	-
716,189.21	-	Birla Sunlife Monthly Interval Fund - Series-I - Dividend	7,161,892	-
-	310,857.50	DBS - Chola FMP - series - 6 Qtly-Plan-I-Growth	-	3,108,575
-	47,070.24	DSP MI Liquid Plus Inst. Daily Dividend	-	47,077,662
-	195,599.02	Fidelity Special Situation fund - growth	-	2,000,000
106,368.19	-	HDFC Floating Rate Income Fund - Long Term Plan-Growth	1,406,336	-
462,597.97	-	HDFC Floating Rate Income Fund - Short Term Plan-Growth	6,307,708	-
-	75,705.38	Principal Global Oppurtunites Fund - Growth	-	1,000,000
-	2,746,559.87	Reliance Fixed Maturity Plan	-	27,565,983
-	5,050.75	Standard Charted Liquidity Manager Plus-Growth	-	5,228,643
-	102.11	Standard Charted Manager Plus-Dividend	-	102,121
-	200,000.00	Sundaram Rural India Fund-Growth	-	2,000,000
-	503,260.00	TATA FHF-Series-9-Plan B - Scheme-E-Growth-RP-Monthly	-	5,032,600
-	27,871.44	Templeton India Short Term Income Plan-Weekly Dividend	-	28,107,564
1,000,000.00	-	UTI-FMP-HFMP-03/08-Instl-Div Reinvt	10,000,000	-
			<b>25,839,849</b>	121,223,148

**B. Investments in Shares - quoted**

As at		Particulars	As at	
31.03.2008	31.03.2007		31.03.2008	31.03.2007
No. of Shares			Cost	
-	2,283.00	Andhra Bank	-	97,572
-	509.00	Lanco Infratech	-	80,727
38.00	-	Reliance Power	12,084	-
-	85.00	Uttam Sugars	-	9,197
			<b>12,084</b>	1,87,497

The following units of Mutual Fund were purchased and redeemed during the Financial Year

As at		Particulars	As at	
31.03.2008	31.03.2007		31.03.2008	31.03.2007
No. of Units			Cost (Amount in Rs.)	
42,069.84	-	Birla Sunlife Frontline Equity Fund - Dividend	1,000,000	-
700,000.00	-	Birla Sunlife Quarterly Interval Fund - Series-III	7,000,000	-
715,843.25	-	BSL Cash Manager IP Daily Div Reinvt	7,160,580	-
-	605,391.00	DBS - Chola FMP	-	6,053,910
317,997.90	-	DBS Chola FMP - Series - 7 Qtly - Plan-I-Growth	3,179,979	-
265,719.61	-	DBS Chola Freedom Income STP-Inst-Cum-Org	3,256,394	-
44,810.94	-	DSP Merrill Lynch Liquid Plus Fund - Institutional Plan - GW	47,278,026	-
47,268.57	10,000.00	DSP MI Liquid Plus Inst. Daily Dividend	47,276,031	10,000,000
196,171.64	-	HDFC Floating Rate Income Fund - Long Term Plan-Growth	2,593,664	-
3,188,245.20	-	HDFC Floating Rate Income Fund - Short Term Plan-Growth	42,192,292	-
2,000,000.00	-	HDFC FMP 90d December 2007 (VI) - Wholesale Plan-Growth	20,000,000	-
-	1,000,000.00	PRU ICICI FMP-Yearly-Series-XXV	-	10,000,000
48,899.76	-	Reliance Equity Advantage Fund-Dividend	500,000	-
-	26,013,552.16	Reliance Fixed Maturity Plan	-	260,135,522
1,880,719.60	-	Reliance Floating Rate Fund - Growth	22,395,233	-
563,805.64	-	Reliance Interval Fund-QP-Series-I-Retail-Growth	5,638,056	-
2,182,813.78	-	Reliance Monthly Interval-Series-I-Retail-Growth	22,205,110	-
-	500,000.00	SBI Debt Fund Series - 60 Days-II-Nov'06-G	-	5,000,000
-	13,498.65	Standard Chartered Manager Plus - Dividend	-	13,500,000
6,478.01	293,467.90	Standard Chartered Liquidity Manager Plus-Growth	7,100,000	49,786,906
-	91,740.59	Sundaram India Leadership Fund-Dividend	-	1,000,000
-	500,000.00	TATA FHF-Series-8-Plan B-Scheme-B-Growth-RP-Monthly	-	5,000,000
20,600.80	-	Temp. India Short-Term Income Plan-Growth	28,290,394	-
-	45,730.06	Templeton India Short Term Income Plan-Weekly Dividend	-	45,981,384
44,622.94	-	UTI-Infrastructure Fund-Dividend	1,000,000	-
			<b>268,065,758</b>	<b>406,457,721</b>

The following shares were purchased and sold during the Financial year

As at		Particulars	As at	
31.03.2008	31.03.2007		31.03.2008	31.03.2007
No. of Shares			Cost (Amount in Rs.)	
-	1,000.00	Andhra Bank	-	90,000
146.00	-	ICICI Bank	137,240	-
-	2,087.00	Indian Bank	-	189,917
-	87.00	Inox Liesure	-	10,440
-	1,000.00	Lanco Infratech	-	240,000
-	22.00	Parsvananth Developers	-	6,600
-	908.00	Union Bank of India	-	99,880
-	2,000.00	Uttam Sugars	-	680,000
			<b>137,240</b>	<b>1,316,837</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET**



**Schedule - E**

(Amount in Rs.)

	As at 31.03.2008	As at 31.03.2007
<b>Current Assets</b>		
<b>a) Inventories</b>		
Stocks - Stores	4,367,785	4,107,624
- Finished Goods	12,838,210	12,663,388
- Fuel	2,020,697	2,191,438
- Raw Materials Indigenous	23,250,509	12,606,012
<b>Total</b>	<b>42,477,201</b>	<b>31,568,462</b>
<b>b) Sundry Debtors</b>		
<b>Unsecured</b>		
More than six months		
- considered good	1,637,531	716,311
- considered doubtful	-	-
Less than six months (Considered Good)	53,391,361	22,623,021
<b>Total</b>	<b>55,028,892</b>	<b>23,339,332</b>
<b>c) Cash &amp; Bank Balance</b>		
Cash on hand	23,183	775
<b>Balance with Banks</b>		
On Current Account	7,999,828	11,268,139
On Deposit Account	852,999	14,375,725
{Of the above Rs.5 Lakhs (Previous Year Nil) is under lien for Bank Gaurantee}		
<b>Total</b>	<b>8,876,010</b>	<b>25,644,638</b>
<b>d) Loans &amp; Advances</b> (Unsecured and considered good)		
a. Advances recoverable (in cash/kind/for value to be received)	116,930,949	93,390,855
b. Advance Income Tax & Tax Deducted at Source	6,284,133	2,670,876
c. Deposits (Includes Nations saving Certificates Rs.5000/- Previous Year Rs.5000/- deposited with Government Authorities)	9,276,515	8,612,315
d. Balances with Central Excise Authorities	9,186,597	6,352,821
<b>Total</b>	<b>141,678,194</b>	<b>111,026,867</b>
<b>Total Current Assets</b>	<b>248,060,297</b>	<b>191,579,300</b>

**Schedule - F**

**Current Liabilities & Provisions**

<b>a) Liabilities</b>		
Sundry Creditors	53,891,869	21,813,861
Customer's Credit Balance	8,491,528	8,579,526
Other Current Liabilities	14,200,548	10,275,209
<b>Total</b>	<b>76,583,945</b>	<b>40,668,595</b>

(Amount in Rs.)		
	As at 31.03.2008	As at 31.03.2007
<b>b) Provisions</b>		
For Fringe Benefit tax	400,000	125,589
Provision for tax	5,953,000	-
<b>Total</b>	<b>6,353,000</b>	<b>125,589</b>
<b>Schedule - G</b>		
<b>Sales</b>		
Petrochemicals	871,821,452	819,149,810
Other by products	136,204,397	20,414,291
<b>Total</b>	<b>1,008,025,849</b>	<b>839,564,101</b>
<b>Schedule - H</b>		
<b>Other Income</b>		
Miscellaneous Income	1,798,192	841,949
Interest Received TDS Rs.13,862 (Previous Year Rs.1,95,552)	61,172	872,115
Income from Mutual Fund - Dividend Received	747,848	3,815,402
Income from Mutual Fund	7,470,074	2,828,309
Profit on sale of Shares (Short Term Gain)	-	256,922
<b>Total</b>	<b>10,077,286</b>	<b>8,614,698</b>
<b>Schedule - I</b>		
Increase / Decrease in Stock		
Opening Stock	12,663,388	-
Closing Stock	12,838,210	12,663,388
<b>Total</b>	<b>174,822</b>	<b>12,663,388</b>
<b>Schedule - J</b>		
<b>Material Cost</b>		
Inward Freight and Transport - Others	39,872	141,660
Inward Freight and Transport - Raw Materials	71,873,761	61,308,858
Purchase of finished good	-	1,078,307
Raw Materials - consumed	594,607,845	492,124,480
Chemicals catalysts stores - Indigenous	7,388,489	5,805,402
<b>Total</b>	<b>673,909,968</b>	<b>560,458,707</b>

**SIGNIFICANT ACCOUNTING POLICIES****Schedule - K**

	As at 31.03.2008	(Amount in Rs.) As at 31.03.2007
<b>Manufacturing &amp; Other Expenses</b>		
Salaries, Wages & Bonus	16,447,104	10,446,959
Contribution to Provident and other Funds	1,335,556	1,395,842
Employess Welfare Expenses	6,177,313	4,277,765
Power & Fuel	71,087,528	54,891,556
Freight and Transport	286,111	3,023,730
Rent	2,611,253	2,268,000
Excise Duty	(96,299)	2,997,831
Additional Sales Tax	-	1,938,616
Repairs & Maintenance - Roads & Buildings	16,112,320	13,261,551
Repairs & Maintenance - Others	7,282,836	4,816,778
Directors' Travelling Expenses	431,509	84,803
Travelling - Foreign	2,522,555	1,261,250
Travelling & Conveyance	2,948,982	2,407,175
Insurance	1,293,220	1,303,138
Sitting Fees to Directors	179,000	104,000
Auditors Remuneration	189,776	91,988
Rates & Taxes	559,218	1,995,270
Professional & Consultancy Charges	1,102,518	2,314,708
Administrative Expenses	2,331,676	2,960,998
Loss on Sale of Shares	605,057	-
Selling & Distribution Expenses	8,324,536	9,137,337
<b>Total</b>	<b>141,731,770</b>	<b>120,979,295</b>

**Schedule - L****A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of Financial Statements**

The accounts are prepared as per the historical cost convention in accordance with the mandatory applicable Accounting Standards.

**2. Fixed Assets & Depreciation**

- a) Fixed assets are recorded at cost net of Modvat/ Cenvat credit wherever applicable. Costs include all expenses incurred in bringing the asset to its present location & condition.
- b) Depreciation on Fixed assets is provided at Straight Line Method in accordance with Schedule XIV of the Companies Act, 1956. Assets costing less than Rs.5000/-are fully depreciated in the year of addition.

**3. Investments**

Current Investments are stated at lower of cost and fair value by category of investment. Long term investments are stated at cost and diminution in value provided for only if it is permanent.

**4. Inventories**

- (a) Raw Materials and Stores and Spares are valued at weighted average cost.
- (b) Finished Stocks are valued at cost (including applicable overheads and excise duty) or net realisable values whichever is lower.

- (c) Work-in-Process value is derived from the value of finished goods less estimated cost of work still to be completed.
  - (d) Modvat / Cenvat / Service Tax credits on materials / capital items are availed on purchases / installation of assets respectively and utilised for payment of excise duty on goods manufactured and the unutilised credit is carried forward in the books.
5. **Revenue recognition**
- (a) All revenues are accounted on accrual basis.
  - (b) Sales are net of discounts and sales tax.
6. **Retirement Benefits**
- Defined contribution plans**
- The Company makes Provident Fund and Superannuation contributions to defined contribution retirement benefit plans for qualifying employees. Under the Provident Fund Scheme, the Company is required to contribute a specified percentage of payroll cost to The Employee's Provident Fund Scheme 1952 to fund the benefits. The interest as declared by the government from time to time accrues to the credit of the employees under the scheme. The settlement / transfer to individual employees is done by the Regional Provident Fund Commissioner. Under the Superannuation scheme the company is required to contribute a specified percentage of payroll cost to underwriters to enable them to make the settlement to the qualifying employees. Leave encashment benefit for all employees is in the nature of short term compensated absence and is accounted on accrual basis.
- Defined benefit plans**
- The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of an Insurance Company, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment.
7. **Research and Development**
- Research and Development expenditure, other than capital, as and when incurred are charged to revenue.
8. **Foreign Currency Transaction**
- Transactions in foreign exchange are initially recognized at the rates prevailing on the date of transaction. All monetary assets and liabilities are restated at balance sheet date using year end rates. Resultant exchange difference is recognized as income or expense in that period.
9. **Impairment of Assets**
- An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired, after considering adjustment if any already carried out.
10. **Provision of Contingent Liabilities**
- The Company creates a provision when there is a present obligation as a result of an obligation / event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the like hood of outflow of resources is remote, no provision or disclosure is made.
11. **Earnings Per Share**
- The earnings considered in ascertaining earnings per share comprises of the net profit after tax before exceptional items. The number of shares used in computing earnings per share is the weighted average number of shares outstanding during the year. Diluted earning per share comprises of weighted average share considered for deriving basic earnings per share as well as dilutively potential equity shares.

**SIGNIFICANT ACCOUNTING POLICIES****12. Taxes on Income**

Tax expense comprises of current tax, deferred tax and fringe benefit tax. Current income tax is provided on the taxable income for the period as per Income Tax Act, 1961. Deferred Tax is recognized, subject to consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Fringe Benefit Tax for the year is determined as per the provisions of Section 115WC of the Income Tax Act, 1961.

**B. NOTES ON ACCOUNTS****1. Segment**

The company has only one segment viz. Manufacture of Polyisobutene.

**2. Expansion**

The Capacity expansion of the PIB Plant from 11000 TPA to 22000 TPA was completed and the plant commissioned in November 2007.

**3. Related Party Transactions**

As per Accounting Standard - 18 (AS-18) issued by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

<b>Name of the Related Party</b>	<b>Relationship</b>
Kothari Sugars & Chemicals Limited	Promoter Company
Kothari International Trading Limited	Associate Company
Kothari Biotech Limited	Associate Company
Kothari Safe Deposits Limited	Associate Company
Kothari Real Estates Private Limited	Associate Company
Century Foods Private Limited	Associate Company
Parasakthi Trading Co. Private Limited	Associate Company
Lavanya Holdings Private Limited	Associate Company
Spell Bound Trading Private Limited	Associate Company
Niharika Synthetics Private Limited	Associate Company
Parvathi Trading & Finance Co. Private Limited	Associate Company
Mr. B.H.Kothari	Key Management Personnel

The related party balances and transactions are summarised below

(Rs. in Lakhs)

Particulars	Promoters Company		Associate Company		Balance	
	2007-08	2006-07	2007-08	2006-07	31.03.2008	31.03.2007
Advances taken	Nil	Nil	Nil	Nil	18.35	87.70
Advance given	Nil	Nil	Nil	360.00	Nil	Nil
Rent	Nil	Nil	8.44	10.78	Nil	Nil
Purchase of Asset	5.37	Nil	13.00	Nil	5.10	Nil
Share Capital on Amalgamation	Nil	Nil	Nil	1900.00	1900.00	1900.00
Locker Rent	Nil	Nil	0.08	0.16	Nil	Nil
Deposit	Nil	Nil	0.08	Nil	0.08	Nil

**4. Taxes on Income**

Deferred Tax Asset (Net) as on 31.03.2008 comprise of (Amount in Rs.)

	As on 31.03.2008	As on 31.03.2007
Deferred Tax Asset	2,79,99,370	5,04,20,365
Less: Deferred Tax Liability	2,68,98,534	20,41,681
Net Deferred Tax Asset	11,00,836	4,83,78,684

The deferred tax asset has mainly arisen on account of carry over losses and depreciation available for set off in future and the deferred tax liability is on account of depreciation.

The adjustment of deferred tax asset is dependent on future taxable income and hence as a prudent measure deferred tax asset has not been recognized.

**5. Contingent Liabilities**

(a) Estimated amount of Contracts remaining to be executed on Capital account & not provided for amount to Rs. Nil (Rs.1211 Lakhs)

(b) Bank guarantees Rs. 5 Lakhs (Previous year Rs.6 Lakhs)

The company has not received information from vendors regarding their status under Micro Small and Medium Enterprises Act, 2006, the disclosures relating to amounts unpaid as at the year end together with interest payable/paid under this Act have not been given.

**6. Quantitative information in respect of goods manufactured**

(a) **Annual installed Capacity as certified by the Management** (Unit in MT)

Product	31.03.2008	31.03.2007
Poly Isobutene (PIB)	22,000	8,400

(b) **Actual Production** (Unit in MT)

Product	31.03.2008	31.03.2007
Poly Isobutene (PIB)	8,255.64	7,446.18

(c) **Raw Materials Consumed** (Rs. in Lakhs)

Items	31.03.2008		31.03.2007	
	Quantity (MT)	Value	Quantity (MT)	Value
C4 Feed Stock	18207.03	6664.82	17152.96	5468.90
Others	-	74.28	-	65.43
Total	-	6739.10	-	5534.33
<b>Of the above</b>				
Import	0 %	Nil	0%	Nil
<b>Indigenous</b>	100 %	6739.10	100%	5534.33

(d) **Finished Goods - Poly Isobutene** (Rs. in Lakhs)

Items	31.03.2008		31.03.2007	
	Quantity (MT)	Value	Quantity (MT)	Value
Opening Stock	264.11	-	28.66	-
Production	8255.64	-	7446.18	-
Sales	8238.40	5847.22	7210.73	5152.64
Closing Stock	281.35	-	264.11	-

**SIGNIFICANT ACCOUNTING POLICIES****(e) Sales**

(Rs. in Lakhs)

Items	2007-2008		2006-2007	
	Quantity (MT)	Value	Quantity (MT)	Value
Polybutene	8238.40	5847.22	7210.73	5152.64
LPG	9402.00	3319.15	8722.62	2542.63
Others	1060.69	285.75	785.09	204.14
Conversion	3694.97	628.14	2918.97	496.22
<b>Total</b>	<b>-</b>	<b>10080.26</b>	<b>-</b>	<b>8395.64</b>

**7. Expenditure incurred in foreign currency on account of:** (Rs. in Lakhs)

Items	31.03.2008	31.03.2007
Travelling	25.23	7.36

**8. Auditors Remuneration** (Amount in Rs.)

Items	2007-2008	2006-2007
Statutory Audit	84,270	50,000
Other Services	84,270	30,764
Tax Audit Fees	21,236	11,224
<b>Total</b>	<b>1,89,776</b>	<b>91,988</b>

9. The Goodwill of Rs.753 Lakhs arising out of the merger effective from April 01, 2006 of PTPL with the company is being amortised over a period of five years with effect from April 01, 2006 in equal instalments.

10. No provision is considered necessary towards Urban Land Tax for the land in which Manali factory is situated pending disposal of a court case filed by the erstwhile owners and completion of the process for registration of land.

**11. Employee benefits**

During the year, the Company has adopted Accounting Standard AS (Revised 2005) "Employee Benefits". There is however no additional liability on account of such adoption. Liability in respect of Gratuity to eligible employees is covered under an insurance policy and declaration has been provided to the underwriters including its employees along with that of its associate viz. Kothari Sugars and Chemicals Ltd. as permitted in the variation deed dated 27.11.1987 of the Kothari Sugars and Chemicals Ltd. Gratuity Trust. The contribution made in earlier years and investments as on 31.03.2008 as per the actuarial valuation made by Projected Unit Credit Method is cumulatively adequate to cover the liability of both Kothari Petrochemicals Ltd. and its Associate Kothari Sugars and Chemicals Limited as on 31.03.2008.

12. Previous year figures have been re-grouped and re-arranged wherever necessary to confirm to the classification for the year.

For and on behalf of the Board

for R.Subramanian and Company  
Chartered Accountants**B.H. Kothari**  
Chairman & Managing Director**P.S.Balasubramaniam**  
Director**R.Rajaram**  
PartnerPlace : Chennai  
Date : July 28, 2008**R.Prakash**  
Company Secretary

**Information Pursuant to Part IV of Schedule VI of the Companies Act, 1956**

**I. Registration Details**

Registration No.	1	8	-	1	7	3	4	7
Balance Sheet Date	31.03.2008							

State Code										1	8
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**II. Capital raised during the year (Amount in Rs. thousands)**

Public Issue	NIL
Bonus Issue	NIL

Right Issue	NIL
Private Placement	NIL

**III. Position of Mobilisation and Development of Funds (Amount in Rs. thousands)**

Total Liabilities	591908
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Total Assets	591908
--------------	--------

**Sources of Funds**

Paid-Up Capital	591868
Secured Loans	-

Reserves & Surplus	40
Unsecured Loans	-

**Application of Funds**

Net Fixed Assets	321926
Net Current Assets	165123
Accumulated Losses	79007

Investments	25852
Misc. Expenditure	NIL

**IV. Performance of Company (Amount in Rs. thousands)**

Turnover & Other Income	906259
Profit/(Loss) before Tax	68499
Earnings/Share in Rs.	1

Total Expenditure *	837760
Profit/(Loss) After Tax	61876
Dividend Rate %	NIL

\* Total Expenditure is net off Stock

**V. Generic names of Three Principal Products/Services of Company**

Product description	ITC Code
Poly Isobutene	390220

For and on behalf of the Board

**B.H. Kothari**  
Chairman & Managing Director

**P.S. Balasubramaniam**  
Director

**R. Prakash**  
Company Secretary

Place : Chennai

Date : July 28, 2008



**KOTHARI PETROCHEMICALS LIMITED**

Regd.Office: "Kothari Buildings", 115, Mahatma Gandhi Salai, Chennai – 600 034

**PROXY FORM**

Folio No.:

\* Client ID No.:

(\* in case of dematerialized shares)

I / We ..... of .....in the district of ..... being a member(s) of the above named company, hereby appoint Mr./ Ms. ....of ..... in the district of ..... or failing in / him / her Mr. / Ms. .... of .....in the district of ..... as my / our proxy to attend and vote for me / us on my / our behalf at the 19<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 18<sup>th</sup> September 2008, at 11.00 A.M. at The Music Academy, (Mini Hall), Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 and at any adjournment thereof.

Signed this ..... day of ..... 2008.

No. of Shares held .....

The Companies Act 1956, lays down that an instrument appointing a Proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the Meeting. The Proxy need not be a Member of the Company.

Affix Revenue Stamp

Signature



**KOTHARI PETROCHEMICALS LIMITED**

Regd.Office: "Kothari Buildings", 115, Mahatma Gandhi Salai, Chennai - 600 034.

**ATTENDANCE SLIP**

**REQUEST TO MEMBERS**

Folio / Client ID No. :

Name of the Attending Member .....

Name of the Proxy\* ..... \* (If Proxy attends instead of member)

I here by record my presence at the 19<sup>th</sup> Annual General Meeting

Venue : The Music Academy, Mini Hall, Old No. 306, New No.168, T.T.K. Road, Chennai - 600 014.

Date : Thursday, 18<sup>th</sup> September, 2008.

Time : 11.00 A.M.

- 1. Shareholders and their proxies should bring the attendance slip duly filled in for attending the meeting.
- 2. Members are requested to bring their copies of the Annual Report to the Meeting as the Company is unable to provide another copy in view of the increased cost of paper.
- 3. Members are requested to be in their seats at the Meeting Hall before the scheduled time for commencement of the Annual General Meeting to avoid interruption in the proceedings.
- 4. Members intending to appoint Proxies are requested to complete the Proxy Form sent herewith and deposit the same at the Registered Office of the Company 48 hours before the time fixed for holding the Meeting.
- 5. If you and/or your family members are receiving more than one copy of the Annual Report and other communication and would like to avoid duplication, kindly advice us to mail only one copy. This will help us to avoid wastage.

Signature of Shareholder/Proxy

**Note : Please ensure that your Folio Number is duly mentioned in this form.**