

CORPORATE INFORMATION

Board of Directors	:	B.H.Kothari - Chairman & Managing Director G.Narayanaswamy P.N.Devarajan P.K.Rudra P.S.Balasubramaniam
Company Secretary	:	S.Sundaramurthy
Statutory Auditors'	:	R.Subramanian and Company Chartered Accountants No.6, Krishnaswamy Avenue Luz, Mylapore, Chennai - 600 004
Internal Auditors	:	K.R.Sarangapani & Co. Chartered Accountants, No. 28/1, Anjuham Nagar, 1 st Street, Jafferkhanpet, Chennai - 600 083
Cost Auditors	:	P.Rajulyer, M.Pandurangan & Associates No. 492, Periyar EVR Salai Aminjikarai, Chennai - 600 029
Legal Advisors	:	S.Ramasubramaniam and Associates Advocates, No.6/1, Bishop Wallers Avenue (West) Mylapore, Chennai - 600 004
Registered Office	:	"Kothari Buildings" 115, Mahatma Gandhi Salai Nungambakkam, Chennai - 600 034 Phone No.044 -30225616 / 30225507 Fax No.044 -28334560
Registrar & Share Transfer Agent	:	Cameo Corporate Services Limited Subramanian Building, 5th Floor No.1, Club House Road Chennai - 600 002 Phone No. 044 - 28460390 to 28460394 Fax No.044 - 28460129 e-mail: investor@cameoindia.com
Listing	:	The National Stock Exchange of India Limited (NSE), Mumbai
Stock Code	:	KOTHARIPET ISIN No.INE720A01015

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Financial Highlights

₹. in Lacs

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
PROFITABILITY ITEMS					
Gross Income	13,984.78	12,179.91	16,099.34	17,565.58	26,152.05
Gross Profit (PBDIT)	434.42	921.24	1,219.38	945.20	1,029.31
Profit After Tax	102.65	374.96	707.11	428.79	520.56
BALANCE SHEET ITEMS					
Net Fixed Assets	2,992.43	2,739.29	3,470.85	5,999.13	4,844.38
Investments	193.41	511.35	509.93	109.50	317.85
Net Current Assets	2,045.80	2,529.65	2,666.32	863.13	1,592.58
Total Capital Employed	5,231.64	5,780.29	6,237.28	7,094.42	6,457.75
Shareholder's Funds	5,231.64	5,606.60	5,971.75	6,058.58	6,062.78
RATIOS					
Book Value Per Share (₹)	8.89	9.53	10.15	10.30	10.30
EPS (₹)	0.17	0.64	1.20	0.73	0.88
Return on Investment	1.73%	6.33%	11.84%	7.08%	8.59%
Current Ratio	3.09	3.27	2.50	1.40	1.50

NOTICE

Notice is hereby given that the 24th Annual General Meeting of Kothari Petrochemicals Limited will be held on Thursday, September 05, 2013 at 10.30 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, consider and adopt the audited Balance Sheet as at March 31, 2013 and the Statement of Profit & Loss for the financial year ended on that date along with Auditors' and Directors' Report thereon.
2. To declare dividend on equity shares for the year ended March 31, 2013.
3. To appoint a Director in the place of Mr.G.Narayanawamy, 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 M/s.R.Subramanian and Company, Chartered Accountants, Chennai, the retiring Auditors be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company at remuneration to be fixed by the Board of Directors".

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

Place: Chennai
Date : July 31, 2013

S.Sundaramurthy
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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT ANY TIME NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING. THE PROXY SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL.**
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
3. **Members or Proxies are requested to bring the attendance slips duly filled in along with their copies of Annual Reports to the meeting and members holding shares in Demat form are requested to bring in their details of DP ID and Client ID for ease of identification and recording of attendance at the meeting.**
4. Share Transfer books and Register of Members will remain closed from Wednesday, 28th August, 2013 to Thursday, 05th September, 2013 (both days inclusive).
5. The Dividend would be paid at a rate of Re.0.75 paise per Equity Shares of Rs.10/- each by not later than 04th October, 2013 to those shareholders whose names stand on the Register of Members on 27th August, 2013. Dispatch of Dividend warrants would commence on 01st October, 2013 and the ECS credit would be done by 04th October 2013.
6. Members holding shares in Dematerialized form are requested to intimate all changes pertaining to their Bank details NECS / ECS, mandates, nominations, power of attorney, change of address / name etc., to their Depository Participant only and not to the Company's Registrar and Transfer Agents (RTA). Changes intimated to the Depository Participant will be automatically reflected in the Company's records which will help the Company and the RTA to provide efficient and better service to the Members. Members holding shares in physical form are requested to advise the above changes and Transfer of Shares to the Company's RTA M/s. Cameo Corporate Services Limited.
7. Shareholders who have so far not encashed the dividend warrant(s) pertaining to the financial years 2010-11 & 2011-12 are requested to make their claim to the Company / RTA. It may be noted that once the unpaid/unclaimed dividend is transferred to the Investor Education and Protection Fund (IEPF) after the lapse of 7 years as required under Section 205A of the Companies Act, 1956, no claim shall lie against IEPF or the Company in respect of such dividend.
8. Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail the benefits of easy liquidity, electronic transfer, savings in stamp duty, prevention of forgery, etc.

NOTICE TO THE MEMBERS

9. The Annual report of the Company for the year 2012-13, circulated to the Members of the Company, will be made available on the Company's website viz. www.kotharipetrochemicals.com
10. The Company has designated an exclusive e-mail id viz. secdept@hckgroup.com to enable investors to register their complaints / queries, if any.
11. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the RTA in the following cases viz. Transfer of Shares, Deletion of Name, Transmission of Shares and Transposition of Shares. Shareholders are requested to furnish a copy of PAN card for all the abovementioned transactions.
12. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Director seeking re-appointment / appointment at the forthcoming Annual General Meeting is attached hereto.

ANNEXURE TO THE NOTICE

THE INFORMATION IN RESPECT OF ITEM NO.3 IN ACCORDANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT FOR CORPORATE GOVERNANCE ABOUT THE DIRECTORS SEEKING RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER

Particulars	Item No.3
Name of the Director	Mr.G.Narayanaswamy
Date of Birth	April 27, 1928
Date of Appointment	October 26, 2005
Qualification	Bachelor of Science (B.S.c.) Fellow Member of Institute of Chartered Accountants of India (F.C.A.)
Experience in specific functional areas	He has experience of more than 6 decades in the accounting and auditing profession. He is the senior partner of M/s.Venkatraman & Co., Chartered Accountants, Chennai.
List of other Companies in which Directorship held	M/s.Suman Controls Private Limited
Chairman/ Member of the Committee of the Board of Director of the Company	Audit Committee - Chairman
Chairman/ Member of the Committee of the other companies in which he is a Director	Nil
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2013	4000 Shares

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

Place: Chennai
Date : July 31, 2013

S.Sundaramurthy
Company Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by email to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of Electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s.Cameo Corporate Services Limited.

DIRECTORS' REPORT

To the Members,

The Directors present the 24th Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2013.

1. Highlights of the Company's Financial Performance for the year are summarized below.

(₹. in Lakhs)

Particulars	2012 - 2013	2011 - 2012
PBIDT	1,117.29	945.20
Interest	129.84	122.47
Profit after Interest before Depreciation and Tax	987.45	822.73
Depreciation	249.21	171.95
Tax Expenses	217.68	221.99
Profit After Depreciation and Tax	520.56	428.79
Profit brought forward from previous year	139.50	52.67
Profit available for appropriation	660.06	481.46
Proposed Dividend	441.35	294.23
Dividend Tax on Proposed Dividend	75.01	47.73
Balance Carried to Balance Sheet	143.70	139.50

2. Performance for the financial year 2012-13

The Company has achieved a total revenue of Rs.23,975.45 Lakhs for the year ended March 31, 2013 as against Rs.16,219.69 Lakhs for the previous year. The revenue increased due to higher sales volume and higher selling price.

Your Company's manufacturing plant continues to adhere to all the safety norms and conducts periodic safety reviews & technical audits to update / upgrade the norms and to suit the latest requirements. All operators are continuously given adequate in-house training by senior executives. Due to tireless efforts, significant improvements are seen in the overall house keeping and a lot of awareness among the workers on the need for good housekeeping is witnessed.

Your company is embarking on a journey to improve the quality of the product based on the feed back being received from various customer segments to penetrate new market segments overseas.

In recognition of its commitment to quality and environment, your company has been awarded with:

- ❖ Quality Management System (ISO 9001:2008)
- ❖ Environmental Management System (ISO 14001: 2004)

by the reputed agency M/s.Det Naorske Veritas, Germany

3. Subsidiary Company

Your company incorporated a wholly owned subsidiary company namely Kothari Petrochemicals Pte. Ltd., Singapore in the month of July 2013 to explore and improve the market share in South East Asia region for our products.

4. Dividend

The Directors recommend a dividend of Re.0.75 paise per equity Share of Rs.10/- each for the financial year ended March 31, 2013 (last year Re.0.50 paise). If approved by the Members at the ensuing Annual General Meeting to be held on 05th September, 2013, it will be paid on or before 04th October, 2013 to those Members whose names appear in the Company's Register of Members and to those persons whose names appear as Beneficial Owners (as per the details to be furnished by the Depositories in respect of the shares held in dematerialized form) as at the close of business hours on 27.08.2013.

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

During the year no employee has drawn salary in excess of the amount prescribed under provisions of sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

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 Deposits

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

7. Directors

Mr.G.Narayanaswamy, Director, is retiring by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment

8. Directors' 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.

9. Management Discussion and Analysis

Kothari Petrochemicals Limited (KPL) continues to retain its status of being the "Largest Poly Iso Butene (PIB) manufacturer in India" with an annual installed capacity of 22,000 tons and this has been proved from the increased sale volume from the domestic demand and the reliability of your company as a dependable vendor to most of the Oil companies in India.

Industry Structure & Development:

KPL produces high quality PIB of various grades using Iso Butylen rich LPG which is sourced from Refineries. The company has identified a new supplier for raw materials and this new source has proved to be dependable and your company was able to meet the increased demand of their product without any difficulty with the help of the new supply source. The Company is also continuing its efforts to further explore other sources for the raw material within the country as well as overseas.

Outlook:

The newly developed market such as Plastic Master Batch etc. are showing an encouraging growth of demand for our products and your company is continuing to develop the new market and enlarge its customer base apart from Oil Companies who are the largest consumer segment of our product.

Last year, your company was awarded the prestigious annual contract by M/s.British Petroleum (BP) for most of their Asian Lube Installations and this year your company has secured the annual contract for supply of high grade PIB to M/s Pertamina which is the only Government Oil Company of Indonesia.

Opportunities:

Due to restricted availability of raw material in the country, our competitors have not been able to achieve full production, whereas, availing of this opportunity, your company was able to source the required raw materials from various sources and has also been able to increase the sales and improved the realization.

Your Company is continuously working on the new technology support for its productivity improvement, processes and for up-gradation of its manufacturing facilities. In order to improve the production and quality of products and saving the utilities cost, the company has invested a significant amount in various fields like Energy Audit, periodic Technical audit with the help of Industry's experts for fine tuning of operation parameters, and so the efficiency of your plant in terms of production and quality has improved significantly.

Your company was facing frequent disruptions in power supply till the last year and this has been set right during the year by ensuring uninterrupted power supply directly from the grid through a dedicated under ground line which inturn has resulted in the smooth operation of the plant and also ensuring a good quality product.

Some of the setbacks in the global production of PIB in various parts of the world during the second half of the financial year created an opportunity for us to enter new markets with the support of our well established quality and service reliability across the globe.

As it has been proven year after year, Supply Security, International Quality and prompt service have become the core competitive strengths of KPL.

Threats:

Raffinate which is also the basic raw material for several value added down stream products like Butene-1, Iso Butyl Rubber (IBR) etc., is becoming difficult to source, as the refineries who are the suppliers of Raffinate are diverting the same for other projects for manufacture of new products. In view of this, the availability of Raffinate is likely to be under threat in the coming years.

The growth of 2T oil demand in domestic market continues to be subdued and the forecast of demand for this 2T oil from the major Public Sector Undertaking (PSU) Oil Companies in the coming years are not very encouraging.

Post commissioning of a new Joint Venture plant in China, the Indian market has been flooded

with product from the new plant of China and our strong customer hold is now being threatened by the new entrant.

Risk & Concerns:

The effect of the sanction on Iran has had an impact on the prices of the raw material from the second half of the financial year and the high volatile Exchange rate fluctuation impacts further the pricing of the raw material which is a very big concern for your company.

In order to be competitive in the global market, KPL, is under pressure to match the long credit periods for their customers in line with the competitors offer, and thus take the additional burden of interest on working capital and related financial costs.

To mitigate the financial risks in global business, KPL, as a strategy, has covered its exports under a comprehensive ECGC policy.

KPL also takes forward foreign exchange cover to hedge against forex fluctuations.

Internal Control Systems and their adequacy:

The company has appointed an independent firm of Chartered Accountants as Internal Auditors.

Internal Audit and Inspection:

KPL is having a comprehensive system of internal inspection and audit as a check on internal control and management systems. The reports of auditor / inspector are being reviewed periodically for further improvement. Cost of Production (CoP) sheet, Standard Operation Procedure (SOP), Activity Based Costing (ABC), Safety / Technical Audit are a few such systems in practice.

Compliance: The Company has a strict compliance protocol and submission of various returns and data information as required by the statutory authorities is a priority.

Human Resources / Industrial Relations

During the year, the industrial relations continued to be cordial and conducive. Employees at all levels demonstrated high degree of commitment for achieving the company's goals.

During the year employees attended series of training sessions - Technical and soft skills - as part of employee development program. Special onsite program and In – House training programme were conducted on safety.

The company focused on career development of employees and manpower requirement was filled in by giving priority to internal sources – through promotions / horizontal transfers. This year our recruitment and retention strategies continued to focus on diversity.

Key performance indicators introduced last year for planning and strengthening employees career growth was successfully

implemented. Total number of employees as on 31st March 2013 was 113.

10. Corporate Governance

We believe that Corporate Governance is the crux 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.

11. Re-appointment of Auditors

Mr.R.Subramanian and Company, Chartered Accountants, Chennai, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. As required under section 224 of the Companies Act, 1956, the company has obtained from them a confirmation to the effect that their re-appointment, if made, would be in conformity with the limits prescribed in the said section.

12. Cost Auditor

Pursuant to section 233B of the Companies Act, 1956, M/s.P.Rajulyer, M.Pandurangan & Associates, a Practising Cost Accountants, were appointed as Cost Auditor for the year 2013 - 2014.

Filing of Cost Audit Report	2012 - 2013	2011 - 2012
Due Date	27.09.2013	28.02.2013
Actual Date	(Target) 25.09.2013	29.01.2013
Cost Auditor Details	M/s.P.Rajulyer, M.Pandurangan & Associates, M.No.27969, Chennai	M/s.P.Rajulyer, M.Pandurangan & Associates, M.No.27969, Chennai
Audit Qualification in Report	-	NIL

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 31, 2013

B.H. Kothari
Chairman and Managing Director

FORM A
**Form for disclosure of particulars with respect to conservation of energy
 MANALI PLANT**
A. POWER AND FUEL CONSUMPTION

Particulars	2012-13	2011-12
1. Electricity		
(a) Purchased		
Unit (Kwh)	69,86,670	64,33,310
Total Amount (Rs.)	5,35,89,781	3,41,79,091
Rate/unit (Rs.)	7.67	5.31
(b) Own generation		
(i) Through diesel generator		
Units	4,16,878	11,49,913
Unit per-litre of diesel oil	2.86	3.12
Cost/Units	15.53	13.39
(ii) Through steam turbine/generator	--	--
Units	--	--
Units per-litre of fuel oil/gas	--	--
Cost/units	--	--
2. Coal (specify quality and where used)	--	--
Quantity (MT)	--	--
Total cost	--	--
Average rate	--	--
3. Furnace oil	--	--
Quantity (MT)	3,077.04	2,488.89
Total amount (Rs.)	12,31,82,009	9,12,60,237
Average rate	40,032.63	36,667.04
4. Others/internal generation (please give details)		
Quantity	--	--
Total cost	--	--
Rate/unit	--	--
5. Consumption per unit of production		
	Standard (if any)	
Products (with details) in MT	--	15,164.01
Electricity (Unit per MT)	495	494.00
Furnace Oil (MT of FO per MT)	0.18	0.20
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 earnings and outgo

₹. in Lakhs

S.No.	Particulars	2012-13	2011-12
(i)	Total Foreign Exchange earned	3,850.52	5,030.64
(ii)	Total Foreign Exchange outflow	124.49	27.77

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

1. Company's Corporate Governance Philosophy

Kothari Petrochemicals Limited believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term value while safeguarding the interest of all the stakeholders. It is this conviction that has led the Company to make strong Corporate Governance values intrinsic in all its operations. The Company is led by a distinguished Board, which includes Independent Directors. The Board provides a strong oversight and strategic counsel. The company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide the management, the strategic direction it needs.

In terms of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details of compliances, for the year ended March 31, 2013, are as follows:

2. Board of Directors

The present strength of the Board is five, headed by the Chairman & Managing Director, Mr.B.H.Kothari. Except Mr.B.H.Kothari and Mr.P.S.Balasubramaniam, the others are Non-Executive Independent Directors.

Non-executive Directors (NED) are professionals and have vast experience in the field of industry, finance and law representing optimal mix of professionalism, knowledge and expertise. They bring wide range of expertise and experience to the Board.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the public companies in which he is a Director. Necessary disclosure regarding Committee positions in other companies as on 31 March 2013 have been made by the Directors.

The details of composition of the Board, the attendance at Board meetings during the financial year and at the last Annual General Meeting, number of directorships and committee positions held during 2012-13 are furnished in the following table.

Name of the Director	Category	No. of Board Meetings attended	Attendance at previous AGM held on September 20, 2012	No. of Directorship in other public Companies	No. of Committee positions (as member / chairman) held in other public Companies		No. of equity shares
					Member	Chairman	
Mr.B.H.Kothari	CMD	5	Present	3	1	1	1,77,400
Mr.G.Narayanaswamy	INED	4	Present	Nil	Nil	Nil	4,000
Mr.P.K.Rudra	INED	3	Not Present	Nil	Nil	Nil	Nil
Mr.P.N.Devarajan	INED	4	Not Present	1	Nil	Nil	Nil
Mr.P.S.Balasubramaniam	NED	4	Present	5	2	Nil	1,000

INED - Independent Non Executive Directors & NED - Non- Executive Directors

Board Meetings held during the financial year 2012-2013

BOARD MEETINGS HELD				
May 14, 2012	August 02, 2012	September 20, 2012	November 12, 2012	February 07, 2013

3. Committees of the Board

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

a. Audit Committee

During the year under review, the Committee met 4 times and the attendance details of Committee Members is as follows:

Sl.No.	Name of the Member	Category	Meetings participated
(i)	Mr. G. Narayanaswamy	Chairman	3
(ii)	Mr.P.K.Rudra	Member	3
(iii)	Mr.P.N.Devarajan	Member	4

b. Audit Committee Meetings held during the financial year 2012-2013

AUDIT COMMITTEE MEETINGS			
May 14, 2012	August 02, 2012	November 12, 2012	February 07, 2013

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 Finance in-charge 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) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor/cost auditor and the fixation of audit fees.
- ii) To review the internal controls, with the Management and the Auditors and report to the Board together with recommendations thereon.
- iii) To select and establish accounting policies.
- iv) To review the adequacy of internal audit function, staffing, reporting structure and frequency of internal audits.
- v) To review the Company's financial and risk management policies.
- vi) To approve the Quarterly Unaudited Financial Results for publication.
- vii) To review the Management Discussion and Analysis Report.
- viii) 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 P.S.Balasubramaniam, B.H.Kothari and P.N.Devarajan to look into redressing of Shareholders' and Investors complaints such as transfer of shares, non-receipt of annual reports and non-receipt of dividend etc. Mr.S.Sundaramurthy, Company Secretary, is the Compliance Officer.

During the year under review, the Committee met 17 times and the attendance details of Committee Members is as follows:

Sl.No.	Name of the Member	Category	Meetings participated
(i)	Mr.P.S.Balasubramaniam	Chairman	15
(ii)	Mr.B.H.Kothari	Member	16
(iii)	Mr.P.N.Devarajan	Member	17

e. Details of the Complaints received from the Shareholder(s) / Department(s) during the Financial Year 2012 - 2013

Sl. No.	Subject of Complaints	Total Complaints received	Complaints redressed	Redress under process at the year end
1	Non receipt of Dividend	21	21	Nil
2	Transfer of shares	Nil	Nil	Nil
3	Dematerialization matters	Nil	Nil	Nil
4	Non receipt of annual reports	02	02	Nil
5	Others	02	02	Nil
	Total	25	25	Nil
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
	Total	Nil	Nil	Nil

f. Remuneration Committee

A Remuneration Committee was not constituted by the Company during the financial year 2012-13, since no director was in receipt of any remuneration other than sitting fees.

4. Directors' sitting fees

Sitting fees for the Board/Committee meetings for the year 2012-13 and the details are furnished hereunder:

(Amount in ₹)

Sl.No.	Name of the Directors	Sitting fees paid		
		Board Meeting	Audit Committee	Total
(i)	Mr.B.H.Kothari	41,500	N.A.	41,500
(ii)	Mr.G.Narayanaswamy	33,000	20,000	53,000
(iii)	Mr.P.K.Rudra	25,500	21,000	46,500
(iv)	Mr.P.N.Devarajan	33,000	27,000	60,000
(v)	Mr.P.S.Balasubramaniam	34,000	N.A.	34,000

5. Annual General Meeting

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

Year	Venue	Date	Day	Time
2011-12	The Music Academy, (Mini Hall) Old No.306, New No. 168 T.T.K. Road, Chennai-14	September 20, 2012	Thursday	10.30 A.M.
2010-11	Rani Seethai Hall" No.603, Anna Salai, Chennai - 600 006	September 07, 2011	Wednesday	10.30 A.M.
2009-10	The Music Academy, (Mini Hall) Old No.306, New No. 168 T.T.K. Road, Chennai-14	September 22, 2010	Wednesday	10.30 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
Sep 20, 2012	Nil	-
Sep 07, 2011	01	Appointment of Mr.B.H.Kothari, as Managing Director for a period of 5 years w.e.f. 01.12.2011 to 30.11.2016 without remuneration.
Sep 22, 2010	Nil	-

7. Postal Ballot

During the financial year 2012-2013 no Special Resolution was passed through Postal Ballot.

8. Disclosures

During the financial year 2012-2013, the Audit Committee and the Board considered the statement of related party transactions on quarterly basis with details together with the basis at their meetings. There are no materially significant transactions with related parties conflicting with the Company's interest. Suitable disclosure as required by the Accounting Standard AS-18 has been made in the Annual Report.

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 President - Finance In-charge is attached.

9. Management Discussion and Analysis Report

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

10. Means of Communication

The Quarterly, Half Yearly, Nine Months and Annual financial results are published in The Financial Express and Malai Sudar. The financial results and other important events are also posted in the Company's website at www.kotharipetrochemicals.com. The Half-Yearly financial results are not sent individually to the shareholders.

Pursuant to the Green Initiative taken by the Ministry of Corporate Affairs allowing service of documents through electronic mode, the Company send all documents in electronic form to those shareholders who have registered their email-id for the purpose.

11. Shareholder Information
Annual General Meeting

Day, Date and Time	Thursday, September 05, 2013 at 10.30 A.M.
Venue	The Music Academy, (Mini Hall) Old No.306, New No. 168 T.T.K. Road, Chennai-600014

12. Financial Year of the Company

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

Financial Reporting for year 2013-2014 (Tentative)	
Results for Quarter ending 30th June, 2013	31st July, 2013
Results for Quarter ending 30th September, 2013	First fortnight of November, 2013
Results for Quarter ending 31st December, 2013	First fortnight of February, 2014
Results for Quarter ending 31st March, 2014	Last Week of May, 2014

13. Date of Book Closure

The period of book closure is fixed from Wednesday, 28.08.2013 to Thursday, 05.09.2013 (both days inclusive)

14. Dividend Payment

For the year ended March 31, 2013, the Directors have recommended a dividend at the rate of Re.0.75 paise per equity share, subject to the approval of the Members at the ensuing Annual General Meeting and the dividend, if approved shall be paid on or before 04th October, 2013.

15. Listing Particulars

The shares of the Company are listed in The National Stock Exchange of India Limited, Mumbai and the listing fees upto the financial year 2013 - 14 have been paid. (Stock Code - KOTHARIPET)

16. Market Price Data: High, Low in each month of the Financial Year 2012-2013 on The National Stock Exchange of India Limited.

(Amount in ₹)

Month	High	Low	Month	High	Low
Apr 2012	6.05	5.05	Oct 2012	8.90	7.75
May 2012	5.90	5.05	Nov 2012	10.20	7.85
Jun 2012	5.85	5.20	Dec 2012	9.15	7.25
Jul 2012	8.20	5.85	Jan 2013	8.40	7.65
Aug 2012	8.55	7.00	Feb 2013	8.00	7.00
Sep 2012	10.25	7.60	Mar 2013	7.65	5.85

17. Registrar and Share Transfer Agents

The Registrars and Share Transfer Agents of the Company is M/s. Cameo Corporate Services Ltd., at "Subramanian Building", No.1, Club House Road, Chennai - 600 002.

18. Distribution of Shareholdings

No. of Equity shares held	No. of Shareholders	No. of Shares
Upto 5000	7,516	22,03,841
5001-10000	1,722	15,58,937
10001-20000	524	8,71,076
20001-30000	214	5,64,448
30001-40000	76	2,88,801
40001-50000	126	6,08,762
50001-100000	143	10,71,482
100001 and above	126	5,16,79,053
Total	10,447	5,88,46,400

19. Shareholding Pattern

Sl. No.	Category	No. of Holders	No. of shares	% of Shares
(i)	Promoters	12	4,14,67,412	70.47
(ii)	Resident Indians	10,181	90,64,399	15.40
(iii)	Financial Institutions	2	16,28,447	2.77
(iv)	Domestic Companies	212	65,35,266	11.11
(v)	Mutual Funds	3	52,500	0.09
(vi)	NRIs	33	52,776	0.09
(vii)	FII's	1	40,500	0.07
(viii)	Directors & Relatives	3	5,100	0.00
	Total	10,447	5,88,46,400	100.00

20. Dematerialization of Shares

As on March 31, 2013, 5,63,92,332 shares representing 95.83% Company's total shares were held in dematerialized form and the balance shares were held in physical form.

ISIN No.INE720A01015

21. Plant Location

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

Company's Registered Office	Company Share Transfer Agent
The Company Secretary Kothari Petrochemicals Limited Kothari Buildings 115, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034. Telephone Nos. 044 - 3022 5616, 3022 5507 Fax Nos. 044 - 2833 4560 e-mail : secdept@hckgroup.com	M/s.Cameo Corporate Services Limited Unit: Kothari Petrochemicals Limited Subramanian Building, 5th Floor No.1, Club House Road Chennai - 600 002 Telephone Nos.044 - 2846 0390 (5 Lines) Fax No. 044 - 2846 0129 e-mail: investor@cameoindia.com

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

Place: Chennai
Date : July 31, 2013

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, 2013.

for **Kothari Petrochemicals Limited**

Place: Chennai
Date : July 31, 2013

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.Rangarajathinam, President, Finance in-Charge of the Company hereby confirm and certify that:

- a. We have reviewed financial statements and the Cash Flow Statement for the year ended March 31, 2013 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 : May 30, 2013

N.Rangarajathinam
President, Finance In-charge

B.H.Kothari
Chairman and Managing Director

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, 2013 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.

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
Firm No. 004137S

Place: Chennai
Date: July 31, 2013

C.Ramamurthy
Partner
M.No.205113

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2013**To the Members of KOTHARI PETROCHEMICALS LIMITED****Report on Financial Statements**

We have audited the accompanying financial statements of KOTHARI PETROCHEMICALS LIMITED (the company) which comprise the Balance Sheet as at 31st March 2013, Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. As required by section 227(3) of the Act, 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 appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Statement of Profit and Loss 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 written representations received from the directors as on 31st March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

for **R.Subramanian and Company**
Chartered Accountants
Firm No. 004137S

Place: Chennai
Date: May 30, 2013

C.Ramamurthy
Partner
M.No.205113

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE.

1. (a) The Company has maintained records showing full particulars including quantitative details and situation of Fixed Assets.
(b) 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.
(c) No major asset has been disposed off during the year and hence the concept of going concern is not affected.
2. (a) The inventories have been physically verified by the management during the year at reasonable intervals.
(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) On the basis of the records examined by us and relying on the information provided to us, in our opinion, the Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification.
3. (a) The Company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
(b) The company has not taken any loan secured or unsecured from companies firms or other parties listed in the register maintained under section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, the internal control system are commensurate with the size of the Company and the nature of its business for purchase of inventory, fixed assets, sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. (a) Based on the audit procedures applied by us, to the best of our knowledge and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register maintained under that section.
(b) According to the information and explanation given to us, the transactions that have been made in pursuance of such contracts or arrangements by the company have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore the provisions of Sections 58A and 58AA or any other relevant provisions are not applicable to the company.
7. The Company has an internal audit system commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the cost records and accounts maintained by the company relating to the materials, labour and other items of cost pursuant to the rules made by the Central government for the maintenance of cost records under Section 209(1) (d) of the Companies Act 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained for the period under audit. We have not made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. a. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year. The company has no dues towards Investor Education and Protection Fund and Wealth Tax, Service tax, Customs Duty, Excise Duty.
b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Investor Education and Protection Fund, Wealth Tax, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues were in arrears as at 31st March 2013 for a period of more than six months from the date they became payable.
c. According to the information and explanations given to us and on the basis of examination of records of the Company there are no dues of income tax, service tax, wealth tax, customs duty etc as at 31st March 2013, except for the following dues which have not been deposited on account of dispute:

Sl. No.	Name of Statute	Nature of dues	Amount Rs. in Lakhs	Period	Forum where dispute is pending
(i)	Central Sales Tax Act	Sales tax	3.17*	2007-08	Appellate Deputy Commissioner, Thanjavur.
(ii)	Central Excise Act	Excise Duty	129.30	2005-06 to 2009-10 and up to Oct 2010	Commissioner, Chennai
(iii)	Central Excise Act	Differential Excise Duty	25.41	April 2007 to November 2007 and April & May 2008	Commissioner (Appeals) Chennai

* (Rs.0.79 lakhs paid under protest)

10. The Company does not have any accumulated losses at the end of the year. The Company has not incurred any cash loss during the year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, there is no default in the repayment of dues to the Financial Institutions/Banks.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of clause 4 (xiii) of the Order relating to Chit Funds are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities and debentures. The company has maintained proper records of the transactions and contracts in respect of shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for any loan taken by others from any Bank or Financial Institution.
16. According to the information and explanations given to us and the basis of examination of records, the Company has not availed any fresh term loans during the year.
17. According to the information and explanations given to us, based on an overall examination of the Balance Sheet of the Company, related information made available to us and as represented to us by the Management, funds raised on short term basis have not been applied for long term investment during the year.
18. According to the information and explanations given to us, during the year the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued debentures during the year and therefore the question of creating security or charge in respect thereof does not arise.
20. The Company has not made public issue of securities during the year and therefore the question of disclosing the end-use of money raised by way of public issue does not arise.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instance of material fraud on or by the company was noticed or reported during the year.

for **R.Subramanian and Company**
Chartered Accountants
Firm No. 004137S

C.Ramamurthy
Partner
M.No. 205113

Place: Chennai
Date: May 30, 2013

BALANCE SHEET AS AT MARCH 31, 2013

(₹ in Lakhs)

		Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I		<u>EQUITY AND LIABILITIES</u>			
	1	Shareholders Funds			
		(a) Share Capital	2	5,918.68	5,918.68
		(b) Reserves and Surplus	3	144.10	139.90
				6,062.78	6,058.58
	2	Non-current liabilities			
		(a) Long-term borrowings	4	-	525.71
		(b) Deferred tax liabilities (Net)	5	323.34	458.34
		(c) Other Long term liabilities	6	71.63	51.79
				394.97	1,035.84
	3	Current liabilities			
		(a) Short-term borrowings	7	790.30	477.74
		(b) Trade payables	8	1,435.38	1,047.87
		(c) Other current liabilities	9	455.48	283.97
	(d) Short-term provisions	10	519.31	344.00	
			3,200.47	2,153.58	
	Total:		9,658.22	9,248.00	
II		<u>ASSETS</u>			
	1	<u>Non-current assets</u>			
		(a) Fixed assets	11		
		(i) Tangible assets		4,844.38	5,998.13
		(ii) Intangible assets		-	1.00
				4,844.38	5,999.13
		(b) Long-term loans and advances	12	20.79	232.16
				20.79	232.16
	2	<u>Current assets</u>			
		(a) Current investments	13	317.85	109.50
		(b) Inventories	14	1,041.90	737.96
		(c) Trade receivables	15	2,141.87	1,073.61
		(d) Cash and Bank Balances	16	444.03	391.55
		(e) Short-term loans and advances	17	847.40	702.82
	(f) Other Current assets	18	-	1.27	
			4,793.05	3,016.71	
	Total:		9,658.22	9,248.00	
	Significant accounting policies & Notes to Accounts	1-44			

For and on behalf of the Board

As per our Report of even date

For **R.Subramanian and Company**
Chartered Accountants
Firm No. 004137S

B.H. Kothari
Chairman & Managing Director

P.S.Balasubramaniam
Director

Place : Chennai
Date : May 30, 2013

S. Sundaramurthy
Company Secretary

C. Ramamurthy
Partner
M.No. 205113

(₹in Lakhs)

	Particulars	Note No.	Year ended 31.03.2013	Year ended 31.03.2012
I.	Revenue from operations (Gross)	19	25,977.39	17,487.41
	Less: Excise Duty		2,176.60	1,345.89
	Revenue from operations (Net)		23,800.79	16,141.52
II.	Other income	20	174.66	78.17
III.	Total Revenue (I + II)		23,975.45	16,219.69
IV.	Expenses:			
	Cost of materials consumed	21	18,768.06	11,821.67
	Changes in inventories of finished goods	22	(139.95)	184.07
	Other Direct Manufacturing Expenses	23	2,236.81	1,651.24
	Employee benefits expense	24	546.11	445.58
	Finance costs	25	129.84	122.47
	Depreciation and amortization expenses	11	249.21	171.95
	Other expenses	26	1,535.11	1,171.93
	Total expenses		23,325.19	15,568.91
V.	Profit before exceptional and extraordinary items and tax (III-IV)		650.26	650.78
VI.	Exceptional items		87.98	-
VII	Profit before tax (V-VI)		738.24	650.78
VIII	Tax expense:			
	(a) Current Tax		367.81	135.05
	Less MAT Credit Entitlement		-	(135.05)
	(b) Tax in respect of earlier years (net)		(15.13)	(1.59)
	(c) Deferred Tax		(135.00)	223.58
	Total Tax Expenses		217.68	221.99
IX	Profit for the year (VII - VIII)		520.56	428.79
X	Earnings per equity share:			
	Number of Equity Shares		5,88,46,400	5,88,46,400
	(a) Basic (Rs. per Share)		0.88	0.73
	(b) Diluted (Rs. per Share)		0.88	0.73
	Significant accounting policies & Notes to Accounts	1-44		

For and on behalf of the Board

As per our Report of even date

 For **R.Subramanian and Company**
 Chartered Accountants
 Firm No. 004137S

B.H. Kothari
 Chairman & Managing Director

P.S.Balasubramaniam
 Director

 Place : Chennai
 Date : May 30, 2013

S. Sundaramurthy
 Company Secretary

C. Ramamurthy
 Partner
 M.No. 205113

CASH FLOW STATEMENT ANNEXED TO FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2013		31.03.2012	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit after Extra-ordinary items		738.24		650.78
Adjustments for :				
Depreciation and Amortisation Expenses	249.21		171.95	
Rental Income	(123.02)		(55.81)	
Interest Income	(18.05)		(7.47)	
Dividend Income	(14.94)		(4.21)	
Finance Costs	114.94		89.95	
Net gain on sale of Current Investments	(18.65)		(10.68)	
Exchange Fluctuation Gain (Net)	(62.71)		(8.62)	
Liability no Longer required Written Back	(0.90)		(11.20)	
Provision Written off / (back) for Diminution in value of Investments	0.66		0.96	
		126.54		164.87
Operating Profit before Working Capital changes		864.78		815.65
Changes in Working Capital				
- Adjustments for (increase) / decrease in operating assets				
Inventories	(303.94)		136.58	
Trade receivables	(1,068.26)		(10.17)	
Exchange Fluctuation Gain (Net)	62.71		8.62	
Short-term loans and advances	5.55		959.66	
Other current assets	1.27		(1.27)	
Long-term loans and advances	(156.44)		(132.05)	
- Adjustments for increase / (decrease) in operating Liabilities				
Trade payables	387.51		113.61	
Other current liabilities	172.41		(6.70)	
Other Long term liabilities	19.84		22.22	
Short-term provisions	(341.05)		(343.89)	
		(1,220.39)		746.61
		135.00		119.50
Less: Taxes Paid				
Net Cash Generation from Operating Activities - A		(490.61)		1,442.76
B CASH FLOW FROM INVESTING ACTIVITIES				
(Increase)/Decrease in Fixed Assets		905.53		(2,700.23)
(Increase)/Decrease in Investment		(208.35)		400.43
(Increase) / Decrease in Bank Balances considered as cash and cash equivalents		(13.94)		18.79
Rental Income		123.02		55.81
Interest Income		18.05		7.47
Dividend Income		14.94		4.21
Net gain on sale of Current Investments		18.65		10.68
Provision Written off / (back) for Diminution in value of Investments		(0.66)		(0.96)
(Profit) / Loss on Sale of Shares		-		-
Net Cash from investing activities - B		857.24		(2,203.80)
C CASH FLOW FROM FINANCING ACTIVITIES				
Long-term borrowings		(525.71)		524.50
Short-term borrowings		312.56		283.09
Finance Costs Paid		(114.94)		(89.95)
Net Cash from Financing activities - C		(328.09)		717.64
D Net Increase / (Decrease) in Cash and Cash equivalents - A+B+C		38.54		(43.40)
E Cash and Cash equivalents at the beginning of the year		297.87		341.27
F Cash and Cash equivalents at the close of the year (Refer Note-16)		336.41		297.87

For and on behalf of the Board

As per our Report of even date

For **R.Subramanian and Company**

Chartered Accountants

Firm No. 004137S

B.H. Kothari
Chairman & Managing Director
Place : Chennai
Date : May 30, 2013

P.S.Balasubramaniam
Director
S. Sundaramurthy
Company Secretary

C. Ramamurthy
Partner
M.No. 205113

Note 1:**A. CORPORATE INFORMATION:**

Kothari Petrochemicals Limited (Company) was incorporated on 28th April, 1989. The Corporate Identification Number (CIN) is L11101TN1989PLC017347. The company is into manufacture of Chemicals since its inception in 1989, the company has been enjoying 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 and at present the company is one of the largest producers of premium quality Poly Iso butene in India.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**1. Basis of Accounting**

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Accounting principles generally accepted in India and comply with the accounting standards notified by the Central Government of India, under the Companies (Accounting Standards) Rules 2006 and relevant provisions of the Companies Act, 1956.

2. Use of Estimates

The preparation of the financial statements is in conformity with the generally accepted accounting principles and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures relating to contingent assets and liabilities as at the date of financial statements and the results of operations during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. However, the actual results could differ from these estimates.

3. Inventories

- i. Raw Materials and Chemicals, Fuel and Stores and Spares are valued at weighted average cost. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition
- ii. Finished Stocks are valued at cost (including applicable overheads and excise duty) or net realizable values whichever is lower. Excise duty payable on manufactured finished goods held in the factory is included in the value of closing stock.
- iii. Modvat / Cenvat / Service Tax credits on materials are availed on purchases and utilized for payment of excise duty on goods manufactured and the unutilized credit is carried forward in the books.

4. Fixed Assets and Depreciation

Fixed Assets are recorded at cost less accumulated depreciation. The company capitalizes all costs relating to acquisition and installation of fixed assets. Cost of spares relating to specific item of fixed assets is capitalized. Borrowing costs are capitalized as part of qualifying fixed assets. Other borrowing costs are expensed.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under Long Term Loans and Advances and cost of fixed assets not ready to use before such date are disclosed under "Capital Work- in- Progress".

Fixed assets are depreciated pro rata to the period of use, based on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956. Assets costing less than Rs.5,000 are fully depreciated in the year of addition.

5. Impairment of Assets

The company determines whether there is any indication of impairment of the carrying amount of its assets. The recoverable amount of such assets are estimated, if any indication exists and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

6. Research and Development

Revenue expenditure incurred on research and development activities is expensed. Fixed assets, relating to research and development are capitalized and depreciation provided there on.

7. Revenue Recognition

- i) Sale of Finished Goods is recognized upon despatch of goods. Sales are Accounted net of Excise Duty, returns, Sales Tax and freight.
- ii) Revenue from services is recognized when services are rendered to Customers.
- iii) Interest income is recognized using time proportion method.
- iv) Dividend Income is accounted when the right to receive is established.

8. Foreign Exchange Transaction

Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transactions and the realized exchange loss/gain are dealt with in the Statement of Profit & Loss.

Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the exchange gain / loss is suitably dealt with in the Statement of Profit & Loss.

9. Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current Investments are stated at lower of cost and fair value. Long-term investments are stated at cost of acquisition. Provision for diminution is made when such diminution is considered other than temporary in nature. Valuation is determined on the basis of each category of investments.

10. Employee Benefits**Defined Contribution Plan**

- (i) Fixed contributions to Provident Fund and Employees State Insurance are recognized in the accounts at actual cost to the company.
- (ii) Superannuation Fund: The Company makes contribution to a scheme administered by the Underwriters to discharge its liabilities towards superannuation to the employees. The Company has no other liability other than its annual contribution.

Defined Benefit Plan

Gratuity: The Company makes contribution to a scheme administered by the Underwriters to discharge gratuity liabilities to the employees. The Company accounts its liability for future gratuity benefits based on independent actuarial valuation as at the balance sheet date, using Projected Unit Credit Method.

Short Term Benefits

Short term employee benefits (Leave Encashment) are recognized as expense as per the company's scheme based on expected obligation on undiscounted basis.

11. Taxation

- (i) Current tax is determined on the profit for the year in accordance with the provisions of the Income Tax Act, 1961.
- (ii) Deferred tax is calculated at the rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realized.

12. Segment Reporting

- (i) The accounting policies adopted for segment reporting are in line with the accounting policies of the company.
- (ii) Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under unallocated corporate expenses.

13. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources.

Contingent Liabilities are not recognized, but are disclosed in the notes

Contingent assets are neither recognized nor disclosed in the financial statements.

14. Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the Lessor are classified as operating leases. Rental payments made under operating leases are charged to the statement of Profit and Loss.

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease Income on such operating leases is recognized in the Statement of Profit and Loss.

Note 2:

I	SHARE CAPITAL	As at 31st March, 2013		As at 31st March, 2012	
		Number	Rs.in Lacs	Number	Rs.in Lacs
a	AUTHORISED: PREFERENCE SHARE CAPITAL Redeemable Preference shares of Rs.100/- each	6,00,000	600.00	6,00,000	600.00
	EQUITY SHARE CAPITAL Equity Shares of Rs 10/- each	6,00,00,000	6,000.00	6,00,00,000	6,000.00
b	ISSUED Equity Shares of Rs 10/- each	5,96,40,700	5,964.07	5,96,40,700	5,964.07
c	SUBSCRIBED AND PAID UP Equity Shares of Rs 10/- each Fully Paid up	5,88,46,400	5,884.64	5,88,46,400	5,884.64
d	SUBSCRIBED AND PARTLY PAID UP AND HENCE FORFIETED	-	34.04	-	34.04
	Total (c + d)	5,88,46,400	5,918.68	5,88,46,400	5,918.68

II Reconciliation of Number of shares				
Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number			
Equity Shares				
Share Holding at the Beginning of the Year		5,88,46,400		5,88,46,400
Share Holding at the End of the Year		5,88,46,400		5,88,46,400

III List of shareholders holding more than 5% of the total No. of Shares issued by the Company.

	Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Kothari Sugars & Chemicals Ltd.	1,20,19,000	20.42%	1,20,19,000	20.42%
2	Spellbound Trading Pvt. Ltd.	67,59,773	11.49%	60,00,000	10.20%
3	Parasakthi Trading Co Pvt. Ltd.	60,00,000	10.20%	60,00,000	10.20%
4	Riti Holdings & Trading Pvt. Ltd (Formerly - Lavanya Holdings & Trading Pvt. Ltd.)	60,00,000	10.20%	60,00,000	10.20%
5	Ragini Synthetics Trading Pvt. Ltd (Formerly - Niharika Synthetics Trading Pvt. Ltd.)	60,00,000	10.20%	60,00,000	10.20%

₹.in Lacs

Particulars	As at 31-Mar-13	As at 31-Mar-12
Note 3:		
RESERVES & SURPLUS		
a. Capital Reserves		
Opening Balance	0.40	0.40
Closing Balance	(a) 0.40	0.40
b. Surplus in Statement of Profit and loss		
Opening balance	139.50	52.67
Add: Net Profit For the year	520.56	428.79
Less: Proposed Dividend	441.35	294.23
Less: Dividend Tax on Proposed Dividend	75.01	47.73
Closing Balance	(b) 143.70	139.50
Total (a+b)	144.10	139.90
Note 4:		
Long Term Borrowings		
Term loans From Banks - Secured		
Indian Bank - Secured by Hypothecation of Windmill Land and Windmill Machinery	-	525.71
Total	-	525.71
Current Maturity of Long Term Debt Disclosed Separately (Refer Note - 9)	-	28.11
Note 5:		
Deferred Tax Liability (Net)		
Deferred Tax Liability		
- Depreciation on Fixed Assets	330.97	591.04
Deferred Tax Asset		
- Provision for Employee Benefits, etc	7.63	132.70
Deferred Tax Liability (Net)	323.34	458.34
Note 6:		
Other Long Term Liabilities		
Deposits	52.56	22.22
Other Payables	19.07	29.57
Total	71.63	51.79

₹.in Lacs

Particulars	As at 31-Mar-13	As at 31-Mar-12
Note 7:		
Short Term Borrowings		
(a) Loans repayable on demand from Banks - Secured		
i) Cash Credit - Indian Bank	642.92	387.37
ii) Packing Credit - Indian Bank	125.26	-
The facilities are secured by first charge on Hypothecation of Stocks and Book Debts		
(b) Other loans and advances - Secured		
Bills Discounting - Indian Bank	22.12	90.37
Secured by hypothecation of Stocks and Book Debts		
Total	790.30	477.74
Note 8:		
Trade payables		
(a) Trade Payables	1,435.38	1,047.87
Total	1,435.38	1,047.87
Note 9:		
Other Current Liabilities		
(a) Current maturities of long-term debt		
i) Wind Mill Loan - Indian Bank (Refer Note-4 for details)	-	26.29
ii) Vehicle Loan - Indian Bank	-	1.82
(b) Unpaid dividends	13.34	6.29
Represent dividend declared to share holders which remained unpaid as on 31-03-2013		
(c) Other payables		
- Statutory Liabilities	97.57	73.01
- Advance from Customers	182.90	36.77
- Employee Benefits -Funded	10.32	6.68
- Others	151.35	133.11
Total	455.48	283.97
Note 10:		
Short Term Provisions		
Proposed Dividend	441.35	294.23
Tax on Proposed Dividend	75.01	47.73
Provision for Employee Benefits	2.97	2.04
Total	519.31	344.00

**Note 11:
Fixed Assets**

₹.in Lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 01.04.2012	Additions	Deletions / Adjustment	Acquired through business combinations	As on 31.03.2013	As on 01.04.2012	Depreciation charge for the year	Deductions on Disposals	As on 31.03.2013	As on 31.03.2012
a										
Tangible Assets										
Land	298.27	-	19.80	-	278.47	-	-	-	278.47	298.27
UDS of Land - Bangalore Property	192.53	-	-	-	192.53	-	-	-	192.53	192.53
Buildings	1,312.64	9.04	-	-	1,321.68	89.92	41.25	131.17	1,190.51	1,222.72
Buildings given on Lease	1,445.24	-	-	-	1,445.24	3.55	23.56	27.11	1,418.13	1,441.69
Plant & Machinery	3,296.17	160.19	1,190.20	-	2,266.16	526.59	169.41	87.98	1,658.14	2,769.57
Furniture & Fittings	5.83	36.81	-	-	42.64	1.74	3.72	-	37.17	4.09
Vehicles	58.33	-	-	-	58.33	25.17	4.84	-	28.32	33.16
Office Equipment	22.91	0.31	-	-	23.22	5.79	1.08	-	16.36	17.13
Computers	31.28	10.14	-	-	41.42	12.32	4.35	-	24.75	18.97
Total - a	6,663.20	216.49	1,210.00	-	5,669.69	665.08	248.21	87.98	4,844.38	5,998.13
b										
Intangible Assets										
Intangible Assets-Software	5.00	-	-	-	5.00	4.00	1.00	-	-	1.00
Total - b	5.00	-	-	-	5.00	4.00	1.00	-	5.00	1.00
Total (a+b)	6,668.20	216.49	1,210.00	-	5,674.69	669.08	249.21	87.98	4,844.38	5,999.13
Previous year	3,711.60	3,709.60	-	-	7,421.20	1,250.11	171.96	-	5,999.13	2,461.48

₹.in Lacs

Note 12: Long Term Loans & Advances Unsecured, considered good	As at 31-Mar-13	As at 31-Mar-12
	Advance Tax and Tax Deducted at Source [Net of Provision including adjustment of MAT Credit of Rs.222.23 lacs (previous Year Nil) during the year]	15.49
Minimum Alternative Tax (MAT) Entitlement	5.30	230.02
Total	20.79	232.16

Note 13: (Rs. in Lakhs)

UNITS		NET ASSET VALUE		CURRENT INVESTMENTS	COST	
As at 31.03.2013 Nos.	As at 31.03.2012 Nos.	As at 31.03.2013	As at 31.03.2012		As at 31.03.2013	As at 31.03.2012
-	3,78,660	-	50.47	Reliance Liquid Fund - Treasury Plan - Instl - Monthly Dividend	-	50.41
-	5113	-	51.47	Tata Liquidity Management Fund - Weekly Dividend	-	51.41
2,50,238	-	108.64	-	MF- Birla Sun Life Short Term Fund-Gw	108.64	-
1,12,895	-	27.47	-	MF- Reliance Medium Term Fund - Retail Plan - Growth	27.47	-
5,532	-	55.41	-	MF- Tata Treasury Manager Ship - Monthly Dividend	55.75	-
11,72,101	-	118.97	-	MF- HDFC Floating Rate Income Fund - Stp- Ws - Monthly Div	118.97	-
32,082	32,082	7.36	7.67	Franklin India Prima Plus Fund - Dividend	10.00	10.00
		317.85	109.61		320.83	111.82
				Less : Provision for diminution in the value of Investments	2.98	2.32
				Total	317.85	109.50
				Particulars		
				Cost	320.83	111.82
				Aggregate Net Asset Value	317.85	109.61

Note 14: Inventories	As at 31-Mar-13	As at 31-Mar-12
	a. Raw Materials and components	325.59
b. Raw Materials in transit	401.06	110.61
c. Finished goods	237.82	97.87
d. Stores and spares	73.88	73.63
e. Packing Material	3.55	0.72
Total	1,041.90	737.96

For mode of valuation, refer Note - 1 - B (3)

₹.in Lacs

Particulars	As at 31-Mar-13	As at 31-Mar-12
Note 15:		
Trade Receivables		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Other Trade receivables	2,141.87	1,073.61
Total	2,141.87	1,073.61
Note 16:		
Cash and Bank Balances		
i Cash and Cash Equivalents		
a. Cash on Hand	0.45	0.19
b. Balances with Banks		
(i) Current Accounts	235.96	297.68
(ii) Deposit account with less than 3 months maturity	100.00	-
	336.41	297.87
ii Other Bank Balances		
a. Unpaid dividend accounts	13.34	6.29
b. Balances with Bank held as Margin Money	94.28	87.39
	107.62	93.68
Total (i + ii)	444.03	391.55
Note 17:		
Short Term loans and advances		
Unsecured, considered good		
i Advances recoverable in cash or kind or for value to be received	557.22	360.88
ii Deposits	117.20	99.77
iii Prepaid Expenses	17.64	20.35
iv Balance with Statutory Authorities	155.34	221.82
Total	847.40	702.82
Note 18:		
Other Current Assets		
a. Other Current Assets	-	1.27
Total	-	1.27

₹.in Lacs

Particulars	As at 31-Mar-13	As at 31-Mar-12
Note 19:		
Revenue from Operations		
Sale of Products		
Poly iso butene	19,004.84	12,839.73
LPG	6,183.36	4,164.59
Light Polymer	581.63	306.08
Others	39.84	27.82
Other Operating revenues		
Sale of Scrap	14.41	7.80
Duty Drawback on Exports	65.63	46.52
Insurance Claim	17.74	59.49
Exchange Fluctuation Gain (Net)	62.71	8.62
Excise Duty on Stock Differential	-	15.56
Liabilities no Longer required written Back	0.90	11.20
Miscellaneous Income	6.33	-
Total	25,977.39	17,487.41
Note 20:		
Other income		
Rental Income	123.02	55.81
Interest Income	18.05	7.47
Dividend Income	14.94	4.21
Net gain on sale of Current Investments	18.65	10.68
Total	174.66	78.17
Note 21:		
Cost of Materials Consumed		
C4 Feed	18,698.55	11,766.76
Aluminium Chloride	14.96	17.34
Caustic Soda	53.18	36.20
Others	1.37	1.37
Total	18,768.06	11,821.67
Note 22:		
Changes in inventories of Finished Goods		
Opening Stock	97.87	281.94
Closing Stock	237.82	97.87
Total	(139.95)	184.07
Note 23:		
Other Direct Manufacturing Expenses		
Power & Fuel	1,832.45	1,418.10
Water	75.41	75.01
Stores Consumed	328.95	158.13
Total	2,236.81	1,651.24

₹.in Lacs

Particulars	As at 31-Mar-13	As at 31-Mar-12
Note 24:		
Employee Benefits Expense		
Salaries, Wages and Bonus	455.64	368.77
Contributions to Provident & Other Funds	45.46	34.39
Staff welfare expenses	45.01	42.42
Total	546.11	445.58
Note 25:		
Finance Costs		
Interest expense	114.94	89.95
Other borrowing costs	14.90	32.52
Total	129.84	122.47
Note 26:		
Other Expenses		
Excise Duty on Stock Differential	15.39	-
Rent	40.78	38.40
Repairs & Maintenance - P&M	200.56	232.90
Repairs & Maintenance - Buildings	26.37	26.66
Repairs & Maintenance - Others	20.84	17.95
Insurance	22.78	29.15
Packing Materials	180.84	161.97
Freight Charges	219.32	294.42
Rates & Taxes	7.95	11.64
Travelling Expenses	273.80	146.48
Auditors Remuneration		
- Statutory Audit	1.25	1.25
- Limited Audit Review	1.20	1.20
- Tax Audit	0.10	0.10
Sitting Fee to Directors	2.35	2.73
Legal and Professional charges	87.63	49.82
Commission and Discount	305.30	68.72
Provision written off for Diminution in value of Investments	0.66	0.96
Printing & Stationery	6.21	6.66
Telephone Expenses	6.79	8.34
Donation	35.06	0.02
Miscellaneous Expenses	79.93	72.56
Total	1,535.11	1,171.93

Note 27: Excise Duty

Excise Duty on Sales for the year has been 'disclosed as reduction' from the Turnover. Excise Duty relating to the difference between the closing stock and opening stock has been included in Note-26 "Other Expenses" for the current year and in Note-19 "Other Operating Revenue" for the previous year.

Note 28: Commitments

Estimated amount of Contracts remaining to be executed on capital account for Rs.Nil (Previous Year Rs.Nil)

Note 29: Contingent Liabilities

- a. Bank guarantees Rs.383.58 Lacs (Previous year.Rs.328.44 Lacs)
- b. Sales-tax and Excise Duty demands against which the Company has filed appeals and for which no provision is considered, as the outcome of the appeals is not ascertainable at this stage is Rs.157.88 Lacs (Previous Year Rs.157.88 Lacs)

Note30: Value of Raw Materials, Chemicals and Stores and Spares consumed:

Particulars	31-03-2013		31-03-2012	
	Value (Rs. in Lacs)	%	Value (Rs. in Lacs)	%
Raw Materials & Chemicals				
a) Imported	-	-	-	-
b) Indigenous	18,768.06	100%	11,821.67	100%
Total	18,768.06	100%	11,821.67	100%
Stores & Spares				
a) Imported	2.52	0.77%	-	-
b) Indigenous	326.42	99.23%	158.13	100%
Total	328.94	100%	158.13	100%

Note 31: CIF Value of Imports

(₹. in Lacs)

Particulars	31-03-2013	31-03-2012
a) Stores	1.86	NIL
b) Capital Goods	NIL	NIL

Note 32: Expenditure incurred in Foreign Currency

(₹. in Lacs)

Particulars	31-03-2013	31-03-2012
Travelling	30.92	13.33
Professional charges	38.69	14.44
Commission	54.88	Nil

Note 33: Earnings in Foreign Currency Realised during the year

(₹. in Lacs)

Particulars	2012-13	2011-12
Export Sales	3,850.52	5,030.64

Note 34 : Related Party Transactions:
Related party disclosures - As identified by the Management and relied upon by the Auditors

(i) Parties with Significant influence (Direct and Indirect)	Promoter Company Associate Company Associate Company Associate Company Associate Company Associate Company Associate Company	Kothari Sugars & Chemicals Limited Kothari International Trading Limited Kothari Safe Deposit Limited Century Foods Pvt. Limited Parvathi Trading & Finance Co. Pvt. Limited HCK NAPC Mines and Ores Pvt. Limited Parasakthi Trading Co. Pvt. Limited
(ii) Key Management Personnel	Chairman & Managing Director	Mr. B.H.Kothari

(₹. in Lacs)

Nature of Transactions	Parties with Significant influence (Direct and Indirect)															
	Kothari Sugars & Chemicals Limited		Century Foods Pvt. Limited		Parvathi Trading & Finance Co. Pvt. Limited		Kothari Safe Deposits Limited		HCK NAPC Mines and Ores Private Limited		Kothari International Trading Limited		Parasakthi Trading Co. Pvt. Limited		Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2011-12	
Rent	-	-	7.80	7.87	-	-	-	-	-	-	-	-	7.50	-	-	
Commission Paid	-	-	-	-	-	-	-	-	-	254.51	27.58	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Common Expenses	12.12	47.29	-	-	2.85	-	-	-	-	-	1.27	-	-	-	-	
Locker Rent	-	-	-	-	-	-	0.08	0.08	-	-	-	-	-	-	-	
Sitting Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Expenditure	-	-	-	-	-	-	-	-	24.68	-	-	-	-	-	0.42	
Outstanding Balances- Receivable	-	-	-	-	-	-	0.13	0.13	-	-	-	-	-	-	-	

Note 35: Employee Benefits:

Liability to existing employees of the company in respect of gratuity is covered under a common insurance policy administered by a Trust maintained for the participating enterprises viz. Kothari Sugars & Chemicals Limited (KSCL) and Kothari Petrochemicals Limited (KPL). The Actuarially valued liability under the Projected Unit Credit method for the employees of the participating enterprise of the Trust is calculated enterprise wise. The net defined benefit is recognized in the financial statement as a cost equal to their contribution payable estimated.

The Company has recognized Rs.6.94 Lacs (Previous Year Rs.3.73 Lacs) in the Statement of Profit & Loss for the Year ended 31st March, 2013.

(₹. in Lacs)

Particulars	2012-13	2011-12
Projected benefit obligation at the beginning of the period	273.05	239.74
Current service cost	32.48	26.06
Interest cost	23.82	20.03
Actuarial loss / (gain)	12.60	22.88
Benefits paid	(18.64)	(35.66)
Projected benefit obligation at the end of the period	323.31	273.05
Amounts recognized in the balance sheet		
Projected benefit obligation at the end of the period	323.31	273.05
Fair value of plan assets at end of the period	285.10	220.14
Liability recognized in the balance sheet	38.21	52.91
Cost for the period		
Current service cost	32.48	26.06
Interest cost	23.82	20.03
Expected return on plan assets	(18.71)	(12.19)
Net actuarial (gain)/loss recognized in the period	1.73	28.64
Total	39.32	62.54
Less: Share of contribution from Associate Company	(32.38)	(58.81)
Net Cost recognized in Statement of Profit & Loss	6.94	3.73

Note 36: Segment Reporting
Segment Information

- a) Primary segment reporting (by Business Segments)
 (i) The Company has considered business segment as the primary segment for disclosure these are:

(i) Poly Iso Butene (PIB)
(ii) Power Generation (Wind Mill)

₹.in lacs

Particulars	Poly Iso Butene (PIB)		Power Generation (Wind Mill)		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Segment revenues	23,800.79	16,141.52	-	-	23,800.79	16,141.52
Segment results	861.41	882.90	(56.30)	(31.68)	805.11	851.22
Segment assets	9,658.22	8,069.68	-	1,178.32	9,658.22	9,248.00
Segment Liabilities	3,595.44	2,894.92	-	294.50	3,595.44	3,189.42
Capital Expenditure	216.49	1,490.23	(1,210.00)	1,210.00	(993.51)	2,700.23
Depreciation	192.91	140.27	56.30	31.68	249.21	171.95

₹.in lacs

Reconciliation of reportable segments with the financial statements:

Particulars	Gross Revenues		Results / Net profit		Assets		Liabilities		Capital Expenditure		Depreciation	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
Total Reportable Segment	23,800.79	16,141.52	805.11	851.22	9,658.22	9,248.00	3,595.44	3,189.42	(993.51)	2,700.23	249.21	171.95
Corporate-Unallocated	174.66	78.17	(329.37)	(378.13)	-	-	-	-	-	-	-	-
Inter Segment	-	-	-	-	-	-	-	-	-	-	-	-
Finance Cost	-	-	129.84	122.47	-	-	-	-	-	-	-	-
Interest and Dividend income	-	-	174.66	78.17	-	-	-	-	-	-	-	-
Total	23,975.45	16,219.69	520.56	428.79	9,658.22	9,248.00	3,595.44	3,189.42	(993.51)	2,700.23	249.21	171.95

- b) Geographical Segment

₹.in lacs

Particulars	India		Rest of the World		Total	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Segment Revenue	19,395.51	11,318.11	4,405.28	4,823.41	23,800.79	16,141.52
Total	19,395.51	11,318.11	4,405.28	4,823.41	23,800.79	16,141.52

Note 37: Micro, Small and Medium Enterprises Development Act, 2006:

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.

Note 38: Rental Income

A sum of Rs.123.02 lacs (Previous Year Rs.55.81 lacs) has been considered as rental Income from property pending finalization of Lease agreement.

Note 39: Operating Lease

A sum of Rs.36.90 lacs (Previous Year Rs.32.80 lacs) has been debited to Rent account, being the rent paid on premises which has been taken on operating lease.

Note 40: Earning Per Share

Net Profit after Tax for the year has been used as the numerator and number of Shares has been used as denominator for calculating the basic and diluted earning per Share.

Particulars	31-03-2013	31-03-2012
Face Value Per Share (Rs.)	10	10
Weighted Average no. of Shares	5,88,46,400	5,88,46,400
Profit After Tax (Rs. in Lacs)	520.56	428.79
Basic and Diluted Earnings Per Share (Rs.)	0.88	0.73

Note 41: Discontinuing Operations

During the year, the power generation operations have been discontinued and Windmill was sold on 21st February, 2013 for Rs.915.50 lacs.

The result of power generation operations for the year until discontinuation is as under:

(₹. in Lacs)

Particulars	31-Mar-2013	31-Mar-2012
Revenue Net	-	-
Expenses	56.30	31.68
Total Revenue	(56.30)	(31.68)
Add: Gain on disposal of assets / Settlement of liabilities attributable to the discontinuing operations	87.98	-
Profit Before Tax	31.68	(31.68)
Carrying amount of net assets as at the Balance Sheet date relating to discontinued operations	NIL	883.82

Note 42: Acknowledgement of Balances

Balances in Trade Receivables, Loans and Advances and Deposits includes items which are in the process of confirmation and have, in the opinion of the management a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. Sundry Creditors are stated at a value they are liable to be paid.

Note 43: Urban Land Tax

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.

Note 44: Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

For and on behalf of the Board

B.H. Kothari
Chairman & Managing Director

Place : Chennai
Date : May 30, 2013

P.S. Balasubramaniam
Director

S. Sundaramurthy
Company Secretary

As per our Report of even date
For **R. Subramanian and Company**
Chartered Accountants
Firm No. 004137S

C. Ramamurthy
Partner
M.No. 205113

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 24th Annual General Meeting of the Company to be held on Thursday, the 5th September 2013, at 10.30 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 2013

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
Re. 1/-
Revenue
Stamp

Signature

KOTHARI PETROCHEMICALS LIMITED**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 24th Annual General MeetingVenue : The Music Academy, Mini Hall
Old No. 306, New No. 168,
T.T.K. Road, Chennai - 600 014Day & Date : Thursday, 5th September, 2013.

Time : 10.30 A.M.

1. Members and their proxies should bring the attendance slip duly filled in for attending the meeting.
2. Members and proxies 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.

Note : Please ensure that your Folio/Client ID Number is duly mentioned in this form.

Signature of Shareholder/Proxy

