

June 16, 2020

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza
Bandra-Kurla Complex
Bandra [E], Mumbai - 400 051

Dear Sirs,

Stock Code - **KOTHARIPET**

Sub: Outcome of Board Meeting held on 16th June 2020.

With reference to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we wish to inform you that, as required in terms of Regulation 30, 33 and other applicable provisions of Listing Regulations, the Board of Directors of M/s. Kothari Petrochemicals Limited at their meeting held on June 16, 2020 commenced at 10:55 hrs and concluded at 12:00 hrs has inter alia transacted the following businesses:

- (i) Approved the Audited Financial Results of the Company for the quarter and year ended March 31, 2020. Copies of Audited Financial Results, Auditors' Report issued by the Statutory Auditors of the Company for the quarter and year ended March 31, 2020 are enclosed.

Kindly acknowledge and take this in your records.

Thanking You,

Yours faithfully

for **Kothari Petrochemicals Limited**

Deepa Bansal
Company Secretary & Compliance Officer

Encl: as above

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020

Rs in lacs

Particulars	Quarter ended			Year period ended	
	31/03/2020 (Audited) Refer Note 4	31/12/2019 (Unaudited)	31/03/2019 (Audited) Refer Note 4	31/03/2020 (Audited)	31/03/2019 (Audited)
I) Revenue from operations	6,627.22	6,530.02	8,018.13	27,315.46	29,982.05
II) Other Income	91.74	64.15	50.24	288.14	238.92
III) Total Income (I+II)	6,718.96	6,594.17	8,068.37	27,603.60	30,220.97
IV) Expenses					
(a) Cost of materials consumed	4,033.62	3,885.87	5,334.12	17,319.09	21,651.15
(b) Changes in inventories of finished goods	9.33	(79.38)	35.69	(125.44)	(70.85)
(c) Other direct manufacturing expenses	643.27	782.86	690.93	2,617.55	2,441.62
(d) Employee benefits expense	328.88	398.96	341.47	1,459.82	1,328.61
(e) Finance cost	36.69	55.13	61.24	204.27	307.05
(f) Depreciation and amortisation expenses	139.14	159.75	120.73	553.92	453.32
(g) Other expenses	983.83	884.82	825.12	3,284.08	2,514.42
Total Expenses (IV)	6,174.76	6,088.01	7,409.29	25,313.29	28,625.32
V) Profit/(Loss) before exceptional items and tax (III-IV)	544.20	506.16	659.08	2,290.31	1,595.65
VI) Exceptional Income (Refer Note 3)	-	-	-	144.53	-
VII) Profit/(Loss) before tax (V - VI)	544.20	506.16	659.08	2,434.84	1,595.65
VIII) Tax Expenses					
(a) Current Tax	133.68	109.08	142.03	541.46	343.85
(b) Deferred Tax	25.83	2.14	(106.31)	60.47	33.24
IX) Profit/(Loss) for the period from continuing operations (VII-VIII)	384.69	394.94	623.37	1,832.91	1,218.57
X) Profit / (Loss) from discontinued operations	-	-	-	-	-
XI) Tax expenses of discontinued operations	-	-	-	-	-
XII) Profit / (Loss) from discontinued operations (after tax) (X-XI)	-	-	-	-	-
XIII) Profit / (Loss) for the period (IX+XII)	384.69	394.94	623.37	1,832.91	1,218.57
XIV) Other Comprehensive Income:					
(a)(i) Items that will not be reclassified to Profit or Loss	1.01	(0.27)	0.03	0.20	(1.57)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss	(0.29)	0.08	(0.05)	(0.06)	0.41
(b)(i) Items that will be reclassified to Profit or Loss	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to Profit or Loss	-	-	-	-	-
XV) Total Comprehensive income for the period (XIII+XIV)					
[Comprising Profit / (Loss) and Other Comprehensive Income for the Period]	385.41	394.75	623.34	1,833.05	1,217.41
XVI) Earnings Per Equity Share (For continuing operations)-in Rs					
(a) Basic	0.65	0.67	1.06	3.11	2.07
(b) Diluted	0.65	0.67	1.06	3.11	2.07
XVII) Earnings Per Equity Share (For discontinued operations)-in Rs					
(a) Basic	-	-	-	-	-
(b) Diluted	-	-	-	-	-
XVIII) Earnings Per Equity Share (For discontinued and continuing operations)-in Rs					
(a) Basic	0.65	0.67	1.06	3.11	2.07
(b) Diluted	0.65	0.67	1.06	3.11	2.07



STATEMENT OF ASSETS AND LIABILITIES AS AT 31st March 2020

Rs in lacs

Particulars	As at 31/03/2020	As at 31/03/2019
	(Audited)	(Audited)
ASSETS		
Non-current assets		
a) Property, Plant & Equipment	7,950.80	8,237.00
b) Capital work in Progress	16.14	83.82
c) Investment Property	1,634.21	1,660.11
d) Intangible assets	120.49	43.37
e) Right of use assets	194.26	-
f) Financial Assets	-	-
-Others	217.86	341.85
	10,133.76	10,366.15
Current assets		
a) Inventories	1,102.07	1,013.59
b) Financial Assets		
(i) Investments	400.00	-
(ii) Trade receivables	2,094.53	2,226.47
(iii) Cash and cash equivalents	34.96	549.38
(iv) Bank balances other than (iii) above	219.65	221.58
(v) Loans	10.63	5.87
(vi) Others	121.57	5.82
c) Current tax assets (net)	40.25	19.03
d) Other current assets	427.23	581.36
	4,450.89	4,623.10
Total Assets	14,584.65	14,989.25
EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	5,918.68	5,918.68
b) Other Equity	4,102.81	2,629.61
	10,021.49	8,548.29
Liabilities		
Non-Current liabilities		
a) Financial Liabilities		
(i) Borrowings	5.49	527.39
(ii) Other Financial Liabilities	207.15	0.00
b) Deferred tax liabilities (Net)	873.37	812.84
	1,086.01	1,340.23
Current liabilities		
a) Financial Liabilities		
(i) Borrowings	33.15	1,697.52
(ii) Trade payables dues of micro enterprises and small enterprises	26.23	40.46
dues of creditors other than micro enterprises and small enterprises	2,469.69	2,350.01
(iii) Other financial liability	727.82	750.36
b) Other current liabilities	93.99	157.57
c) Provisions	126.27	104.81
d) Current tax liabilities(Net)	-	-
	3,477.15	5,100.73
Total Equity and Liabilities	14,584.65	14,989.25

Notes :

- The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at the respective meetings held on 16th June 2020.
- Effective 1st April 2019, the company has adopted Ind AS 116 - Leases using Modified Retrospective method. The company has recognised transitional adjustment in the opening balance of retained earnings.
- Exceptional income relates to refund of Value Added Tax pertaining to earlier years.
- The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of respective year.
- The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on its operations. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal sources of information and market based intelligence to arrive at expected future performance of the company.
- The Company has only one primary business segment that of manufacturing Poly Iso Butylene.
- The figures pertaining to the previous periods have been regrouped, reclassified and restated wherever considered necessary.



On behalf of the Board of Directors
for Kothari Petrochemicals Limited

Arjun B Kothari
Managing Director

Place : Chennai
Date : 16th June 2020

Kothari Petrochemicals Limited		
Cash flow Statement for the year ended 31st March 2020		
	Year ended 31st March 2020	Rs in lakhs Year ended 31st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,434.84	1,595.65
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	553.92	453.32
Operating lease rentals from Investment Property	(190.85)	(186.27)
Interest income	(17.13)	(18.46)
Remeasurement of defined benefit obligations	0.20	(1.57)
(Gain)/loss on sale of Property, Plant and Equipment	(0.23)	-
Unrealised foreign exchange differences(Gain)/loss (net)	(8.70)	3.08
Finance cost / Financial guarantee expenses	164.28	282.60
Other Adjustments	7.75	-
Operating profit before working capital changes	<u>2,944.08</u>	<u>2,128.35</u>
Adjustments for changes in working capital:		
(Increase)/decrease in operating assets-		
Inventories	(88.49)	72.68
Trade receivable	140.64	(67.59)
Financial assets-loans	(4.76)	4.80
Financial assets-others	8.24	(71.69)
Other Assets	154.13	512.69
Increase/(decrease) in operating liabilities-		
Trade payables	178.89	500.87
Financial liabilities-others	(22.55)	55.95
Other liabilities	<u>(42.16)</u>	<u>(33.23)</u>
	3,268.02	3,102.83
Less:Taxes paid	<u>562.68</u>	<u>350.48</u>
Net cash from / (used in) operating activities	<u>2,705.34</u>	<u>2,752.35</u>
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of assets (including capital work-in-progress)	(255.21)	(951.79)
Redemption / (Purchase) of investments	(400.00)	-
Proceeds on sale of Property, Plant and Equipment	4.21	-
Margin money with bank/ Dividend account	1.93	(66.60)
Operating lease rentals from Investment Property	190.85	186.27
Interest received	17.13	18.46
Net cash from / (used in) investing activities	<u>(441.09)</u>	<u>(813.66)</u>
C.CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from/(Repayments of) long term borrowings	(521.90)	(521.83)
Payment of Lease Liability	(73.41)	-
Repayment of short term borrowings (net)	(1,664.37)	(89.28)
Dividend paid	(294.23)	(441.35)
Dividend distribution Tax paid	(60.48)	(90.72)
Finance cost / Financial guarantee expenses	<u>(164.28)</u>	<u>(282.60)</u>
Net cash from / (used in) financing activities	<u>(2,778.67)</u>	<u>(1,425.78)</u>
D.NET CASH FLOWS DURING THE YEAR(A+B+C)	<u>(514.42)</u>	<u>512.91</u>
E.Cash and cash equivalents at the beginning of the year	549.38	36.47
F.CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR(D+E)	<u>34.96</u>	<u>549.38</u>



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF KOTHARI PETROCHEMICALS LIMITED

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of financial results of **Kothari Petrochemicals Limited** ("the Company") for the quarter ended and the year ended 31st March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended and the year ended 31st March 2020.

Basis for Opinion

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

Management's responsibilities for the Financial Results

These financial results have been prepared on the basis of the annual financial statements of the Company. The Company's Board of Directors is responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down under applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the Audit of the Financial Results

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

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

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

1. On account of COVID-19 related lockdown restrictions, we were not able to physically observe the verification of inventory that was carried out by the Management at the year-end. Consequently, we have performed alternative procedures to audit the existence and condition of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific consideration for stipulated items", and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the financial statements.
2. The Statement includes the results for the quarter ended 31st March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year-to-date figures up to the 31st December 2019 which were subject to limited review by us.

Our opinion is not modified in respect of the above matters.

For P.Chandrasekar LLP
Chartered Accountants
FRN: 000580S/S200066

S.Sriram
Partner
Membership No.: 205496
UDIN: 20205496AAAABW9094

Place: Chennai

Date: 16th June 2020