



# Kothari Petrochemicals Limited

35<sup>th</sup> Annual Report 2023 - 24





## **Bhadrashyam H Kothari**

11.11.1961 - 22.02.2015



*With fond memories of our Dearest Chairman  
You will always inspire and guide us.*

**CORPORATE INFORMATION****Board of Directors**

Nina B. Kothari - Chairperson (Non - Executive)  
Arjun B. Kothari - Managing Director  
M. Rajavel - Whole Time Director  
S. Sundarraman - Independent Director  
V. V. SuryaRau - Independent Director  
Brij Mohan Bansal - Independent Director  
Gautam Roy - Independent Director

**Company Secretary & Compliance Officer**

K. Priya

**Chief Financial Officer**

S. Sivamahesh

**Statutory Auditors**

P. Chandrasekar LLP  
Chartered Accountants  
No. 18A, 1<sup>st</sup> Floor, Plot No. 5, Balaiah Avenue,  
Luz, Mylapore, Chennai - 600 004.

**Internal Auditors**

R. Subramanian & Co. LLP  
Chartered Accountants  
No. 6, Krishnaswamy Avenue,  
Luz, Mylapore, Chennai - 600 004.

**Cost Auditors**

P. Raju Iyer, M. Pandurangan & Associates  
No. 42, Flat 1B, Sunder Regency, 3<sup>rd</sup> Street,  
Choolaimedu, Chennai - 600 094.

**Secretarial Auditor**

V. Vasumathy & Associates,  
No.10/23, First Floor, Vinayagam Street,  
R.A. Puram, Chennai - 600 028.

**Registered Office**

“Kothari Buildings”  
No. 115, Mahatma Gandhi Salai,  
Nungambakkam, Chennai - 600 034.  
Phone No. 044 - 35225527 / 35225528  
e-mail: secdept@hckgroup.com  
Website: www.kotharipetrochemicals.com

**Legal Advisors**

S. Ramasubramaniam & Associates  
Advocates  
No. 6/1, Bishop Wallers Avenue (West),  
Mylapore, Chennai - 600 004.

**Manufacturing Unit**

No. 1/2-B, 33/5, Sathangadu Village,  
Tiruvottiyur - Ponneri High Road,  
Manali, Chennai - 600 068, Tamil Nadu.  
Phone No. 044 - 2594 1308 / 1309.

**Registrar & Share Transfer Agent**

M/s. Cameo Corporate Services Limited  
Subramanian Building, No. 1,  
Club House Road, Chennai - 600 002.  
Phone No. 044 - 40020700 / 710  
Online Investor Portal : <https://wisdom.cameoindia.com>  
Website : [www.cameoindia.com](http://www.cameoindia.com)

**Listing**

The National Stock Exchange of India Limited (NSE)

<b>Stock Code</b>	<b>KOTHARIPET</b>
<b>ISIN</b>	<b>INE720A01015</b>
<b>CIN</b>	<b>L11101TN1989PLC017347</b>

## CONTENTS

	Page No.
Notice to the Members	3
Board's Report	17
Management Discussion and Analysis	29
Corporate Governance Report	31
Auditors' Report	42
Balance Sheet	50
Statement of Profit and Loss	51
Cash Flow Statement	52
Notes Forming Part of Financial Statements	54

## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
<b>PPROFITABILITY ITEMS</b>					
Gross Income	61,136.38	48,858.02	38,606.84	23,071.62	27,603.60
Profit (PBDIT)	10,389.80	6,437.39	5,222.30	3,787.23	3,048.50
Profit/ (Loss) After Tax	<b>6,378.41</b>	<b>3,917.69</b>	<b>3,288.51</b>	<b>2,254.36</b>	<b>1,832.91</b>
<b>BALANCE SHEET ITEMS</b>					
Net Fixed Assets	13,151.10	12,408.87	11,017.06	9,728.69	9,721.63
Investments	7,351.65	4,123.77	3,334.95	1,530.32	400.00
Total Capital Employed	26,445.20	22,090.28	17,435.31	13,471.87	11,107.50
Shareholders Funds	<b>24,654.41</b>	<b>19,207.00</b>	<b>15,582.58</b>	<b>12,312.63</b>	<b>10,021.49</b>
<b>RATIOS</b>					
Book Value per share (₹)	41.90	32.64	26.48	20.92	17.03
EPS (₹)	10.84	6.66	5.59	3.83	3.11
Dividend %	17.50%	12.50%	-	-	-

## NOTICE TO THE MEMBERS

Notice is hereby given that the 35<sup>th</sup> Annual General Meeting of Kothari Petrochemicals Limited will be held on Thursday, 25<sup>th</sup> July 2024 at 11.00 A.M through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

### Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024, the Reports of the Auditors thereon and Report of the Board of Directors.
2. To appoint a Director in the place of Mr. M. Rajavel, (DIN: 08145611) who retires by rotation and being eligible offers himself for re-appointment.
3. To declare a final dividend of ₹1.00 (Rupee One only) per equity share of the face value of ₹10/- for the financial year 2023 - 2024.

### Special Business

#### 4. Ratification of Remuneration to Cost Auditor

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**Resolved that** subject to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014 (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration of ₹1,00,000/- (Rupees One Lakh only) plus applicable taxes and reimbursement of out of pocket expenses to M/s. P. Raju Iyer, M. Pandurangan & Associates, Cost Accountant in practice for conducting the audit of cost records for the Poly Iso Butylene (PIB) unit of the Company for the year 2024 - 2025 which has been approved by the Board on the recommendation of the Audit Committee, be and is hereby ratified and confirmed”.

#### 5. To consider and approve the payment of commission to Mrs. Nina B. Kothari, (DIN: 00020119) Non-Executive Chairperson of the Company

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**Resolved that** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the allied rules made thereunder and the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI Listing Regulations”) and other applicable provisions, if any, (including any amendment or re-enactment thereof), and Article 76 of the Articles of Association of the Company

and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, approval of the Members of the Company is hereby accorded to pay a commission of 1% of the Net Profits of the Company as computed in the manner laid down in Section 198 of the Act, subject to a minimum of ₹50,00,000/- to Mrs. Nina B. Kothari, (DIN: 00020119) Non-Executive Chairperson of the Company, for the financial year 2024 - 2025.

**Resolved further that** the Board of Directors of the Company or the Nomination and Remuneration Committee be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid Resolution.”

#### 6. To consider and approve the Re-appointment of Mr. V. V. SuryaRau (DIN: 00010274) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**Resolved that** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the performance evaluation, recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors at their Meeting held on 16<sup>th</sup> May 2024, Mr. V. V. SuryaRau (DIN: 00010274), who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of an Independent Director, being eligible for re-appointment, be and is hereby re-appointed with effect from 20<sup>th</sup> May 2024 as an Independent Director, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, that is, upto May 19, 2029.

**Resolved further that** the Board of Directors of the Company and KMPs of the Company be and are hereby authorized to do all such acts, deeds and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid Resolution”.

**7. To consider and approve the Re-appointment of Mr. Arjun B Kothari (DIN: 07117816), as Managing Director of the Company.**

To consider and if thought fit, to pass, with or without modification(s) the following Resolution as a **Special Resolution**:

“**Resolved that** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification or re-enactment thereof, approval of the members of the company be and is hereby accorded to the re-appointment of Mr. Arjun B Kothari (DIN: 07117816) as the Managing Director of the company for a period of five years with effect from 01<sup>st</sup> April 2025 upon the terms and conditions including remuneration as set out in this Resolution and sanctioned with authority to the Board of Directors of the Company to alter or vary the terms and conditions of the said re-appointment in such manner as the Board may deem fit but subject to compliance of applicable provisions of law at that point of time and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and whose directorship is liable to retirement by rotation.

**(a) Salary:**

₹10,00,000/- (Rupees Ten Lakhs) per month.

**(b) Perquisites:**

- (i) Perquisites including use of a car with driver, personal accident insurance, medical insurance, leave travel allowance and other benefits as provided to the other Senior Executives of the Company, may be provided in accordance with the rules of the Company and the same will be evaluated as per Income Tax Rules, wherever applicable and in other cases at actual cost to the company.
- (ii) Leave Encashment as per the Company’s policy from time to time.
- (iii) Use of telephone at residence and mobile phone for Company’s purpose, which will not be treated as Perquisite.
- (iv) Subscription fees for any one club as per the policy of the Company.

**(c) Contribution to funds:**

Company’s contribution to Provident Fund and Super Annuation Fund to the extent these singly or put together are not taxable under the Income Tax

Act and Gratuity at the rate not exceeding 15 days salary for every completed year of service, subject to prevailing Rules and Regulations.

**Resolved further that** Mr. Arjun B. Kothari, Managing Director shall be paid in addition to the salary, a commission not exceeding 5% of the net profits of the Company for any financial year computed in the manner prescribed under Section 198 of the Companies Act, 2013.

**Resolved further that** in the event of there being inadequacy or absence of profits in any financial year during the currency of the tenure of the Managing Director, the above remuneration, and annual commission if any, excluding the perquisites mentioned under Section IV of Part II of Schedule V of Companies Act, 2013, shall be treated as minimum remuneration subject to limits mentioned under Section II of Part II of Schedule V of the Companies Act, 2013 or such other limit as may be prescribed by the Government from time to time shall be paid.

**Resolved further that** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid Resolution”.

**8. To consider and approve the Re-appointment of Mr. M. Rajavel (DIN: 08145611), as Whole Time Director & Key Managerial Person of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

“**Resolved that** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof, approval of the members of the company be and is hereby accorded for the re-appointment of Mr. M. Rajavel, (DIN: 08145611) as the Whole Time Director and Key Managerial Person (KMP) of the Company for a period of three years with effect from 01<sup>st</sup> August 2024 upon the terms and conditions including remuneration as set out in this Resolution and sanctioned with authority to the Board of Directors of the Company to alter or vary the terms and conditions of the said re-appointment in such manner as the Board may deem fit but subject to complying applicable provisions of laws at that point of time and in respect of whom the Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director and whose directorship is liable to retirement by rotation.

**(a) Salary:**

₹9,03,859/- (Rupees Nine Lakhs Three Thousand Eight Hundred and Fifty Nine only) per month.

**(b) Perquisites:**

- (i) Perquisites including use of car with driver, personal accident insurance, medical insurance, leave travel allowance and other benefits as provided to the other Senior Executives of the Company, will be provided in accordance with the rules of the Company and the same will be evaluated as per Income Tax Rules, wherever applicable and in other cases at actual cost to the company.
- (ii) Leave encashment as per the Company's policy from time to time.
- (iii) Use of telephone at residence and mobile phone for Company's purpose, which will not be treated as Perquisite.
- (iv) Subscription fees for any one club as per the policy of the Company.

**(c) Contribution to funds:**

Company's contribution to Provident Fund, Super Annuation Fund and Gratuity at the rate not exceeding 15 days salary for every completed year of service, subject to prevailing Rules and Regulations.

**(d) Annual Increment and Performance Bonus:**

The annual increment and Bonus, if any, shall be decided by the Nomination & Remuneration Committee and Board of Directors from time to time.

**Resolved further that** in the event of there being inadequacy or absence of profits in any financial year during the currency of the tenure of the Whole Time Director, the above remuneration, and annual increment & performance bonus if any, excluding the perquisites mentioned under Section IV of Part II of Schedule V of Companies Act, 2013, shall be treated as minimum remuneration subject to limits mentioned under Section II of Part II of Schedule V of the Companies Act, 2013 or such other limit as may be prescribed by the Government from time to time shall be paid."

**Resolved further that** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments, and writings as may be required to give effect to the aforesaid Resolution."

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

**Place:** Chennai  
**Date :** May 16, 2024

**K. Priya**  
Company Secretary

**Important Notes:**

- (a) The Ministry of Corporate Affairs vide its Circular No. 09/2023 dated September 25, 2023 read with Circular No. 10/2022 dated December 28, 2022 read with Circular No. 02/2022 dated May 05, 2022 read with Circular No. 21/2021 dated December 14, 2021 read with Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020, Circular No.14/2020 dated April 8, 2020 read with Circular No.17/2020 dated April 13, 2020 allows conducting of Annual General Meeting of the Company through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the members for the meeting at a common venue till 30<sup>th</sup> September 2024. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is appended herewith and also available at the Company's website: [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com)
- b) Since the AGM is being conducted through VC/OAVM, the facility for appointment of proxies by the Members will not be available for this AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
- c) Body Corporate members are requested to send to the Company a certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend and vote in the AGM through VC / OAVM on its behalf and to vote through remote e-voting. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
- d) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- e) The Register of Members and Share Transfer Books will remain closed from Friday, 19<sup>th</sup> July 2024 to Thursday, 25<sup>th</sup> July 2024 (both days inclusive) on account of the Annual General Meeting and determining the entitlement of the shareholders to the final dividend for the year 2023 - 24. Final Dividend on declaration will be paid on or before 24.08.2024.

**Dividend**

- f) (i) Pursuant to the Income Tax Act, 1961 and Rules thereunder, with effect from 01.04.2020 Dividend income is taxable in the hands of shareholders

under current tax law and the Company is required to deduct tax at source (TDS) from same at the prescribed rates. There will be no TDS from dividend payable to a resident individual shareholder, if the total dividend to be received during FY 2024 - 25 from the company does not exceed ₹5,000/-.

(ii) A resident individual shareholder with PAN who is not liable for income tax can submit declaration in Form 15G / 15H as applicable to avail the benefit of non-deduction of tax. In case their PAN is not registered (with their Depository Participants (DPs) in the case of demat holding and with the RTA for physical holding), TDS would be at a higher rate of 20% Non-resident shareholders can avail beneficial rates under applicable Tax Treaty subject to furnishing Form-10F and providing necessary documents.

(iii) Form 15G / 15H or Form-10F can be filed online with the RTA through their link <https://investors.cameoindia.com>. These can also be downloaded from the company website, duly completed, signed and scanned and emailed to the RTA at investor@cameoindia.com / secdept@hckgroup.com on or before 19<sup>th</sup> July 2024. You may visit the Company's website at <https://www.kotharipetrochemicals.com/investors/investors-relations/> for all the relevant details and to download the necessary forms.

(iv) Members who have not encashed their dividend warrants / Demand Drafts pertaining to the dividend declared as mentioned in the below table are advised to write to the Company / RTA immediately claiming the dividends declared by the Company. The details of unpaid dividends that are due for transfer to Investor Education and Protection Fund (IEPF) along with due dates are furnished below. As per Section 124 (6) of the Companies Act, 2013, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF. The shareholders are entitled to claim the shares and the dividend transferred to IEPF in accordance with such procedure and on submission of such documents as prescribed in the IEPF Rules, 2016.

Sl. No.	Nature of Dividend	Date of Declaration of Dividend	Due Date for Transfer to IEPF on
(i)	Final Dividend	07.09.2017	13.10.2024
(ii)	Final Dividend	30.07.2018	04.09.2025
(iii)	Final Dividend	06.08.2019	10.09.2026

(iv)	Interim Dividend	07.02.2023	15.03.2030
(v)	Final Dividend	09.08.2023	14.09.2030
(vi)	Interim Dividend	09.02.2024	16.03.2031

(g) In terms of the extant provisions of IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the dividend declared as mentioned in the above table on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) & also in the Company's Website [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com) under "Investors Relations."

**(h) Mandatory furnishing of PAN, KYC details & Nomination by holders of Physical Securities:**

As an on-going measure to enhance the ease of doing business for investors in the securities market, SEBI through its Circular dated March 16, 2023 read with Circular dated November 17, 2023 in supersession of its earlier Circulars dated 03<sup>rd</sup> November 2021 and 14<sup>th</sup> December 2021, provides revised common and simplified norms for processing investor's service request by RTAs and norms for mandatory furnishing of PAN, KYC details and Nomination including the fillable forms are hosted on the Company's Website [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com) under "Investors Relations".

**In this connection, the Company has issued reminder letters to all shareholders holding shares in physical, who have not updated any of the above said details. Any dividend payment with respect to physical folios will be only through electronic mode only upon complying with the requirements of updation of all the details by the Investor as said above.**

(i) Pursuant to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 25<sup>th</sup> January 2022, any request for effecting transfer, transmission or transposition of shares will be processed only in demat form. Therefore, the Company advises shareholders having physical shares to take steps for dematerializing your shareholding in the Company.

(j) The Company has designated an exclusive e-mail id viz. [secdept@hckgroup.com](mailto:secdept@hckgroup.com) to enable investors to register their complaints / queries, if any.

(k) Disclosure pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2 (SS-2) with respect to the Director seeking re-appointment at the forthcoming Annual General Meeting is appended to this Notice.



- (l) In compliance with the aforesaid MCA Circulars and SEBI Circular dated 7<sup>th</sup> October 2023, Notice of the AGM along with the Annual Report 2023-24 is being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories. The Notice calling the AGM and Annual Report has been uploaded on the website of the Company at <https://www.kotharipetrochemicals.com>. The Notice can also be accessed from the website of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the VC / OAVM facility, Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com). For any communication, the shareholders may also send requests to the Company's investor email id [secdept@hckgroup.com](mailto:secdept@hckgroup.com)
- m) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can send an e-mail to [secdept@hckgroup.com](mailto:secdept@hckgroup.com) requesting for inspection of the Registers.
- n) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

#### **Voting through Electronic means:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars dated September 25, 2023 read with December 28, 2022 May 05, 2022, December 14, 2021, January 13, 2021, May 05, 2020, April 08, 2020 and April 13, 2020, the Company shall provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Service (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM through VC or OAVM will be provided by CDSL.

#### **The instructions to Shareholders for remote E-voting and E-voting during AGM and joining meeting through VC/OAVM are as under:**

- (i) The remote e-voting period begins on Sunday, 21<sup>st</sup> July 2024 at 9.00 A.M. and ends on Wednesday, 24<sup>th</sup> July 2024 at 5.00 P.M. During this period, Members holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 18<sup>th</sup> July 2024 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' Resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. There are also multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India which necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

- (iv) In terms of SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated **09.12.2020**, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The user to login to Easi / Easiest are requested to visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi / Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi and click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit these-Services website of NSDL. Open web browser by typing the following URL : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/secureWeb/ideasdirectreg.jsp">https://eservices.nsdl.com/secureWeb/ideasdirectreg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP received in registered mobile &amp; email and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders holding securities in demat mode login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at Toll Free No. : 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Toll Free No. : 1800 1020 990 and 1800 22 44 30.

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

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 2) Click on “Shareholders / Members” module.
- 3) Now enter your User ID
  - a. For CDSL : 16 digits beneficiary ID,
  - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

Details	For Physical shareholders and other than individual shareholders holding shares in Demat form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- 7) After entering these details appropriately, click on “SUBMIT” tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- 10) Click on the relevant Company name i.e. Kothari Petrochemicals Limited on which you choose to vote.
- 11) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- 12) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- 13) After selecting the Resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 14) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- 16) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 17) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.

(vi) **Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.**

- (a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- (b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (d) The list of accounts linked in the login will be mapped automatically and can be delink in case of any wrong mapping.
- (e) It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (f) Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer ([alagarcs@gmail.com](mailto:alagarcs@gmail.com)) and to the RTA at the email address viz; ([murali@cameoindia.com](mailto:murali@cameoindia.com)), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**Instructions for shareholders attending the AGM through VC/OAVM & E-voting during meeting are as under:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting. Shareholders can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. **Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 03 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [secdept@hckgroup.com](mailto:secdept@hckgroup.com).** The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **03 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [secdept@hckgroup.com](mailto:secdept@hckgroup.com). These queries will be replied to by the company suitably by email.
8. **Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.**
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

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

**Process for those Shareholders whose Email / Mobile No. are not registered with the Company / Depositories:**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company / RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. **For Individual Demat shareholders - please update your email id & mobile no. with your respective Depository participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at Toll Free No.: 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on Toll Free No.: 1800 22 55 33.

**General**

- a) The remote e-voting period commences on Sunday, 21<sup>st</sup> July 2024 at 9.00 A.M. and ends on Wednesday, 24<sup>th</sup> July 2024 at 5.00 P.M. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of

remote e-voting as well as voting in the general meeting. The remote e-voting module shall be blocked by CDSL for e-voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- b) After dispatch of the notice, any person who acquires shares of the Company and becomes member of the Company as on the cut-off date i.e. Thursday, 18<sup>th</sup> July 2024 may obtain the login ID and password by sending an email to [investor@cameoindia.com](mailto:investor@cameoindia.com) or [secdept@hckgroup.com](mailto:secdept@hckgroup.com) or [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote.
- c) The voting rights of a member shall be in proportion to his shares in the paid-up equity share capital of the Company as on the cut-off date of i.e. Thursday, 18<sup>th</sup> July 2024.
- d) Mr. M. Alagar / Mr. D. Saravanan of M/s. M. Alagar & Associates, Practicing Company Secretaries, Chennai (Firm Registration No. P2011TN078800), has been appointed as Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- e) The Scrutinizer shall immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting, and there after unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make, not later than two days after the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
- f) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com) and website of CDSL <http://www.evotingindia.com> and also forward the same to The National Stock Exchange of India Limited, Mumbai simultaneously, where the Company's shares are listed.

## Explanatory statement in respect of the Special Business pursuant to section 102 of the Companies Act, 2013.

### Special Business

#### Item No. 4

The Audit Committee and the Board of Directors of the Company at their meetings held on 16<sup>th</sup> May 2024 appointed M/s. P. Raju Iyer, M. Pandurangan & Associates, Cost Accountants as the Cost Auditor for the Poly Iso Butylene (PIB) unit of the Company for the year 2024 - 2025.

As per the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the Members is sought by way of Ordinary Resolution as set out in Item No. 4 of the Notice to ratify the remuneration of ₹1,00,000/- (Rupees One Lakh only) plus applicable taxes and reimbursement of out of pocket expenses to M/s. P. Raju Iyer, M. Pandurangan & Associates, Cost Auditor for the Poly Iso Butylene (PIB) unit of the Company for the financial year 2024 -2025 which has been duly approved by the Board of Directors after considering the recommendation made by the Audit Committee of the Company at the meeting held on 16<sup>th</sup> May 2024.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested either financially or otherwise, in the Resolution set out at Item No. 4. In terms of Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company recommends passing of the Ordinary Resolution set out in Item No. 4 to the shareholders of the Company.

#### Item No. 5

Mrs. Nina B. Kothari was appointed as the Chairperson of the Company in April 2015, after the demise of Mr. Bhadrashyam Kothari. Mrs. Nina B. Kothari hails from a family of top industrialists in the country, and she is well versed in the management and administration of business with a good reputation among the business conglomerates. Since her appointment, she has been continuously playing a pivotal role in providing the right strategical advice with unequivocal commitment to strengthening the company's growth. Recognising her role in the progress and growth, spending considerable time and efforts towards improvement of the company's revenue and profits, it is felt fair and equitable to consider the payment of a commission. Keeping this in mind, the NRC Committee and the Board

have recommended the payment of a commission for the financial year 2024-2025.

She is the Chairperson of various Committees of the Company like Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and also Member of Nomination and Remuneration Committee, Investment and Credit Approval Committee and as an Invitee of other Committees, she attends all the Committees' Meetings and Board Meetings of the Company. Though she attends almost all the Meetings, sitting fees are not paid for all committees meetings.

Considering the valuable time and advice given by the Non-Executive Chairperson in deliberating on the strategic and critical issues in the course of the Board meetings and various Committee meetings of the Company and the valuable suggestions and guidance given by her to the management of the Company from time to time with her rich business connect and wide experience, the Board of Directors at their meeting held on 16<sup>th</sup> May 2024, based on the recommendation of the Nomination and Remuneration Committee, had recommended payment to Mrs. Nina B. Kothari, a commission of 1% of the Net Profits of the Company as computed in the manner laid down in Section 198 of the Act subject to a minimum of ₹50,00,000/- for the year 2024 - 2025 and the said Commission be paid either in a lump sum or in instalments.

Except Mrs. Nina B. Kothari and her relative Mr. Arjun B Kothari, Managing Director, none of the Directors and Key Managerial or their relatives are interested financially or otherwise in the Resolution as set out in item no. 5 of this notice.

In terms of Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company recommends passing of the Special Resolution set out in Item No. 5 to the shareholders of the Company.

#### Item No. 6

The Members of the Company through Postal Ballot appointed Mr. V. V. SuryaRau (DIN: 00010274) as an Independent Director for a term of five years effective from 20<sup>th</sup> May 2019. In terms of the provisions of Section 149 of the Act, Mr. V. V. SuryaRau is eligible for re-appointment for a second term. Pursuant to Sections 149, 152, 160 and all other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 ("Regulations"), approval of the members by way of Special Resolution is required for the reappointment of Mr. V. V. SuryaRau for a second term of five consecutive years from 20<sup>th</sup> May 2024 to 19<sup>th</sup> May 2029. The Company has received a notice from a member proposing the candidature of Mr. V. V. SuryaRau for appointment as an Independent Director of the Company for a second term of five consecutive years. Mr. V. V. SuryaRau, has given his consent and also declaration that he meets with the criteria of independence as provided in Section 149(6) of the Act and Regulations.

The Board of Directors reviewed the said declarations and in the opinion of the Board, Mr. V. V. SuryaRau fulfils the conditions specified in the Act, the Rules made thereunder, Regulations for his appointment as an Independent Director and he is independent of the management. The Board, after taking into consideration the valuable contributions made by Mr. V. V. SuryaRau his participation in the Board and based on his performance evaluation, unanimously approved his re-appointment at the Board Meeting held on 16<sup>th</sup> May 2024 and recommends the Special Resolution as set out at Item No. 6 of this notice to the Shareholders for approval. Except Mr. V. V. SuryaRau, being the appointee, none of the Directors and Key Managerial or their relatives are interested financially or otherwise in the Resolution as set out in Item No. 6 of this notice. A copy of the draft letter of appointment of Mr. V. V. SuryaRau setting out the terms and conditions is available for inspection without any fee at the registered office of the Company during normal business hours on working days upto the date of the Annual General Meeting.

Further as per the Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, re-appointment of a Non-Executive Director after attaining 75 years requires approval of Members of the Company by way of a Special Resolution. The Board considers that association of Mr. V. V. SuryaRau as an Independent Director would be of immense benefit to the Company considering his expertise and experience and it is desirable to avail his services as an Independent Director.

In terms of Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company recommends passing of the Special Resolution set out in Item No. 6 to the shareholders of the Company.

#### **Item No. 7**

Mr. Arjun B. Kothari, son of Late Shri B. H. Kothari aged about 33 years, has a Bachelor of Science (Education and Social Policy) degree from the Northwestern University,

Evanston, Illinois, United States of America and Science PO (Global Health & European Politics Focus) from Paris, France. He worked in General Electric Company, USA as a Senior Specialist in the Management Development Rotation Program. He has also held various positions during his studies in USA which includes off-campus senator at Northwestern University, Evanston, USA and Research Assistant at Kellogg School of Management at Northwestern University, Evanston, USA.

Mr. Arjun B. Kothari was re-appointed as Managing Director for a period of five years with effect from 01<sup>st</sup> April 2020. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, at its meeting held on May 16, 2024 re-appointed Mr. Arjun B. Kothari as Managing Director and Whole Time Key Managerial Person (KMP) of the Company for a period of five years with effect from 01<sup>st</sup> April 2025 on a remuneration as set out in Item No. 7 of this notice to the Shareholders of the Company. Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing Mr. Arjun B. Kothari as a candidate for the office of Director of the Company.

Considering the profile of Mr. Arjun B. Kothari and current trend of compensation package in Corporates, the remuneration proposed is in line with comparable remuneration levels in the industry and also in line with remuneration policy.

The Nomination & Remuneration Committee and the Board are satisfied about his positive attributes, quality and willingness to shoulder the responsibilities and consider him to be a good resource to the company based on his experience, qualification, family and business background. The Board of Directors also noted the contribution made by Mr. Arjun B. Kothari, during his tenure as the Managing Director and taking the Company to next level.

Except Mr. Arjun B. Kothari, being the appointee and Mrs. Nina B. Kothari relative of appointee, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested either financially or otherwise, in the Resolution set out at Item No. 7.

The disclosure under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed with the Notice.

In terms of Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company recommends passing of the Resolution set out in Item No. 7 to the shareholders of the Company.

**Item No. 8**

Mr. M Rajavel joined HCK Group during 1997 and he has handled various key functions including the Company's expansion project from 2003 to 2010 and since 2011, he is heading product marketing and commercial role. Mr. M. Rajavel was appointed as Whole Time Director in 2018 and has been handling General Management, Manufacturing Operations and Marketing of Chemical Products. He was re-appointed as Whole Time Director for a period of three years with effect from 01<sup>st</sup> August 2021. Based on his positive attributes, technical expertise, quality and willingness to shoulder the responsibilities, the Nomination and Remuneration Committee (NRC) considered him to be a good resource to the company and based on his qualification and experience in the field of petrochemicals, the Committee recommended to the Board to re-appoint Mr. M. Rajavel as the Whole Time Director. The Board of Directors also noted the contribution made by Mr. M. Rajavel, during his tenure as the Whole Time Director.

Considering the profile of Mr. M. Rajavel and the current trend of compensation package in Corporates, the remuneration proposed is in line with comparable remuneration levels in the industry and also in line with remuneration policy.

The Board of Directors at its Meeting held on 16<sup>th</sup> May 2024, considered, and accepted the recommendations of the NRC and proposed to the Shareholders for re-appointment of Mr. M. Rajavel as the Whole Time Director and Key Managerial Person (KMP) of the Company for a period of three years with effect from the 01<sup>st</sup> August 2024 on a remuneration as set out in Item No. 8 of this notice. Under Section 160 of the Companies Act, 2013, the Company has received requisite notice from a member, proposing the appointment of Mr. M. Rajavel as the Whole Time Director of the Company.

Except Mr. M. Rajavel, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of this notice. The disclosure under Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is annexed with the Notice.

In terms of Regulation 17(11) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company recommends passing of the Resolution set out in Item No. 8 to the shareholders of the Company.

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

**Place :** Chennai  
**Date :** May 16, 2024

**K.Priya**  
Company Secretary



**ANNEXURE TO THE NOTICE**  
**THE INFORMATION IN RESPECT OF ITEM NO. 2, 6, 7 & 8 IN ACCORDANCE WITH REGULATION 36(3) OF THE SEBI (LODR) REGULATIONS, 2015 AND SECRETARIAL STANDARDS-2 (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA ABOUT THE DIRECTOR SEEKING RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER:**

Particulars	Item No. 6	Item No. 7	Item No. 2 & 8
Name of the Director	Velamuri Venkata SuryaRau	Arjun B Kothari	M. Rajavel
DIN	00010274	07117816	08145611
Date of Birth	10.07.1943	11.09.1991	01.05.1963
Date of first appointment on the Board	20.05.2019	08.04.2015	01.08.2018
Qualification	B. Tech - IIT, Chennai	Bachelor of Science, North western University, Evanston, Illinois, United States of America & Global Health and European Politics from Paris Institute of Political Studies, Paris, France.	B.Sc. (Chemistry)
Nature of expertise in specific functional areas	<p>His career of three decades was in the Petrochemical Company NOCIL Limited (a Joint Venture of SHELL and Arvind Mafatlal group), from 1967 as the first management trainee finally culminating as the works Director on the Board of the Company. He had two innings in SHELL at the Pernis Refinery 1973-75 and again in Shell HQ at The Hague in the HSEF and operational Excellence division. His experience includes Manufacturing, Marketing, Commissioning the grass roots Agrochemicals project, auditing SHELL Chemical companies in Netherlands, Germany, France, Brazil, UK, China and India. He joined Reliance Industries Limited (RIL) in 1997 as the President of the Patalganga manufacturing complex and subsequently was a part of the establishment of the world's largest grass roots refinery at Jamnagar as president non fuels.</p> <p>After successful commissioning of the complex he moved to Mumbai and established Group Manufacturing Services (GMS) for all the manufacturing plants of RIL. GMS delivered the dual role of Governance on behalf of the owners and rendered excellence into the manufacturing sites in Engineering, Technology, Operational excellence, HSEF and HR.</p> <p>He has been instrumental in successful merger of IPCL sites and other acquisitions.</p> <p>He has been instrumental in the Du Pont safety engagement in RIL, Business transformation at RIL and the evolution of Reliance Management System. In his last job he was the Group President for the safety and operational Risk for the whole company.</p>	<p>Mr. Arjun B Kothari is holding directorship in H C Kothari Group of Companies.</p> <p>He also worked in General Electric Company, USA as a senior specialist in the management development rotation programme.</p> <p>Well recognized for his business acumen and Leadership skills.</p> <p>Proven Leader in making sound commercial Judgements and managing risks and challenges of the business. Strategic thinker with the right capacity to steer the Company.</p>	<p>He started his career in M/s. Aruna Sugars Limited. He then worked as the marketing officer in M/s. Chemfab Alkalis Ltd from 1987 to 1997. Since 1997, he is associated with Kothari Petrochemicals Limited and was responsible for marketing the Chlor Alkali Product and he was handling all group expansion projects.</p> <p>From the year 2011 he is heading the product marketing and commercial functions of the Company. He was appointed as Whole Time Director in 2018 and has been handling General Management, Manufacturing Operations and Marketing of Chemical Products.</p>

Particulars	Item No. 6	Item No. 7	Item No. 2 & 8
List of other Listed / Public Companies in which Directorship held	Nil	a) Kothari Sugars and Chemicals Limited b) Kothari Safe Deposits Limited	Nil
Chairman / Member of the Committee of the Board of Director of the Company	<u>Member</u> AC & NRC	<u>Member</u> SRC & CSR <u>Chairman</u> ICAC	Nil
Listed entities from which resigned in the past three years	Nil	Nil	Nil
Chairman / Member of the Committee of the other Listed / Public companies in which he/she is a Director	Nil	<p><b>In Kothari Sugars and Chemicals Limited:</b></p> <p><u>Member</u> SRC &amp; CSR</p> <p><b>In Kothari Sugars and Chemicals Limited:</b></p> <p><u>Chairman</u> ICAC</p> <p><b>In Kothari Safe Deposits Limited as a</b></p> <p><u>Chairman</u> (a) Share Transfer Committee (b) Investment Committee</p>	Nil
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis) as on March 31, 2024	Nil	9,593 Equity Shares	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. V. V. SuryaRau is not related to Promoters and Directors in the Company.	Mr. Arjun B. Kothari is a relative of Mrs. Nina B. Kothari, Chairperson of the Company.	Mr. M. Rajavel is not related to Promoters and Directors in the Company.
Remuneration details	Not applicable	Remuneration proposed : ₹10,00,000/- per month + perquisites + commission @ 5% as existing Remuneration last drawn : ₹5,00,000/- per month + perquisites + commission @ 5%	Remuneration proposed : ₹9,03,859/- per month + perquisites Remuneration last drawn : ₹8,21,691/- per month + perquisites
Number of meetings attended during the year.	Please refer Corporate Governance Section.		
Not debarred from holding office by order of SEBI or any authority.			

**NOTE:** CSR - Corporate Social Responsibility Committee, SRC - Stakeholders Relationship Committee, AC - Audit Committee, NRC - Nomination and Remuneration Committee, ICAC - Investment & Credit Approval Committee.

**BOARD'S REPORT**
**To the Members**

The Directors have pleasure in presenting before you the 35<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended 31<sup>st</sup> March 2024.

**Financial Summary of the Company**

(₹ in Lakhs)

Sl. No.	Particulars	2023 - 2024	2022 - 2023
(i)	Revenue from Operations	<b>60,313.72</b>	48,214.70
(ii)	Other Income	<b>822.66</b>	643.32
(iii)	Total Income	<b>61,136.38</b>	48,858.02
(iv)	Profit / (Loss) before Interest and Depreciation and exceptional item	<b>10,430.66</b>	6,335.84
(v)	Interest	<b>118.99</b>	256.01
(vi)	Depreciation	<b>762.40</b>	660.46
(vii)	Exceptional item	<b>(40.86)</b>	101.55
(viii)	Profit / (Loss) Before Tax	<b>9,508.41</b>	5,520.92
(ix)	Tax Adjustments including Deferred Tax	<b>3,130.00</b>	1,603.23
(x)	Profit / (Loss) after Tax	<b>6,378.41</b>	3,917.69
(xi)	Other comprehensive income	<b>(48.30)</b>	0.96
(xii)	Total comprehensive income	<b>6,330.11</b>	3,918.65
(xiii)	Profit brought forward from previous year	<b>13,288.32</b>	9,663.90

**Financial Highlights**

The Company's Profit before Tax for the year ended 31<sup>st</sup> March 2024 has increased by ₹3,987.49 lakhs to ₹9,508.41 lakhs as compared to ₹5,520.92 lakhs in the previous year. The total revenue from operations for the year ended 31<sup>st</sup> March 2024 is ₹60,313.72 lakhs as against ₹48,214.70 lakhs in the previous year. The increase in revenue is mainly due to increase in sales volume of Poly Iso Butylene (PIB) from 32,554.83 metric tons to 41,438.94 metric tons.

**Status of the Plant**

Your company has recorded the highest production since inception due to the recently completed De-bottlenecking project. The plant was operated for 351 days in FY 2023-24 without any major shutdowns except for the shutdown of 9 days during Dec'23 due to unexpected flooding in the Manali Industrial Area following heavy rainfall.

The raw material supply from the adjacent refinery is steady both in terms of quantity and quality throughout the year, barring a few occasions when the quality was below normal level momentarily. Due to a shutdown at the other Raw Material supplier, supplies were restricted during Oct & Nov'23. Continuous focus on operating excellence and more focus on domestic sales helped the Company to achieve greater operating efficiency. Other efforts put in for cost savings in energy, packing materials, logistics costs etc. also contributed to the better overall performance of the Company.

The paddy husk which is the main fuel for the Captive Power Plant, is in short supply due to restricted paddy allocation to the hulling mills by the State Govt. On top of that, many coal

consuming Industries also switched over to husk fuel due to cost competitiveness adding to a cost of power increase.

Captive Power plant is in healthy condition and was operated for 311 days. Additional power requirements were met by the State Electricity Board Grid. Solar panels continue to generate power (247Kw) and are consumed by the plant.

The required water is supplied by the Metro Water Board from their nearby TTRO plant. Since the plant is equipped with Rainwater collection infrastructure, significant rainwater was collected and used for the plant, which has also contributed to a lot of saving on water costs. Your company has engaged NEERI (National Environmental Engineering Research Institute) to study the feasibility of going for the ZLD scheme, and the report is awaited. The outcome of the report shall be submitted to the State Pollution Control Board as per their directions and for further action.

It's a proud moment that the company has secured ISO 50001 certification in the year 2023-24 for Energy Management System apart from the existing ISO certification - 9001:2015 for Quality Management system, 14001:2015 for Environmental Management system and ISO 45000 certification for Occupational Health and Safety.

All statutory requirements regarding the Petroleum and Explosives Safety Organization (PESO), and the Directorate of Industrial Safety and Health (DISH) are adhered to. All preventive and predictive maintenance are being followed systematically to keep the overall plant in good and safe condition.

### Performance

Your Company has achieved 12,401 calendar days of “Accident-Free” operation since inception. The Company has been continuously imparting training to all its employees to ensure that all project execution, apart from plant operation, is “Accident-Free” and efficient. Your company crossed 10 million Safe Manhours in Aug’23.

Your Company has received the “Sustainability Champion -Merit Category from CII-TCM Award”, “The Best Energy Efficient Unit-General Sector” from CII during the year 2023-24.

Additional facilities in the neutralization sections were commissioned downstream of the process chain to reduce the shutdown time by 50% which increased productivity.

A few learnings from the recent flooding helped us take action to safeguard the plant & machineries in the future from any heavy flooding situation.

### Plant automation

The first phase of Reactor operation in Auto mode using Advanced Process Control (APC) philosophy studies was carried out, and a forward action plan and scheme are under preparation. This will help the plant to operate in a steady state and optimize productivity.

### Safety

To ensure the safety of the plant, all employees and contractors are continuously informed about the awareness of Near Miss incidents and Unsafe Acts. All our safety observations and “Permit to Work” are completely digitalized. Periodic training using in-house resources and external experts are conducted. General Safety Audit and QRA were conducted by an external Audit Agency. F&G study recommendations are being implemented in a phased manner from FY 2023-24.

### Pollution and Environment compliances

Your Company has created all necessary facilities as per the Pollution Control Board’s direction and submitted records conforming to the statutory requirements with respect to pollution norms. The Tamil Nadu Pollution Control Board has given their consent for the enhanced productivity of 48,000 MT per year, valid until 31<sup>st</sup> March 2028. Similarly, the CTO for the CPP was also renewed until 31<sup>st</sup> March 2028.

### Research and Development

To augment the growing R&D activities, an additional space has been created for the expansion of R&D.

Around ₹293.00 lakhs have been spent for R&D in the Financial Year 2023-24 for various research activities and infrastructures to improve Value Addition for Co-products and for new applications. We envision a higher spend on R&D in the coming years to fulfil our growth vision.

Your company’s R&D and Product Development teams continue to put in efforts for developing new applications and some of them have been commercialized and started going to market. New facilities are being created to scale up those new applications.

### Conservation of Energy / Technology Absorption / Foreign Exchange Earning and Outgo:

#### (a) Conservation of Energy :

During FY 2023-24, your company has implemented the Leak Deduction And Repair (LDAR) System to monitor and control Fugitive emissions and installed a Fuel-saving device in the Thermic Fluid Heater to reduce fuel consumption by 4-5%. PRDS in HP steam exchangers was also implemented to improve efficiency. Recycling dilutes the Caustic to an extent of 10% to reduce the Special Consumption. The overall investment cost of the above was around ₹60 Lakhs and the savings was around ₹70 Lakhs.

#### (b) Technology absorption: Nil

#### (c) Foreign exchange earnings and Outgo:

(₹ in Lakhs)

Sl. No.	Particulars	2023-24	2022-23
(i)	Total Foreign Exchange inflow	18,185.35	12,667.02
(ii)	Total Foreign Exchange outflow	434.48	465.20

### Dividend

The Board of Directors met on 16<sup>th</sup> May 2024 to review the full year performance, various growth opportunities, and also took note of the interim dividend of ₹0.75 paise per equity share of ₹10/- each declared during the year and the same was paid to the shareholders within the stipulated time. After reviewing this, the Board of Directors has decided to recommend a final dividend at the rate of 10% i.e., ₹1.00 (Rupee One only) per equity share of ₹10/- each for the financial year ended 31<sup>st</sup> March 2024. If the dividend is approved by the Members at the ensuing Annual General Meeting to be held on 25<sup>th</sup> July 2024, it will be paid on or before 22<sup>nd</sup> August 2024 to those Members whose names appear in the Company’s Register of Members as at the close of business hours on Thursday, 18<sup>th</sup> July 2024. This together with interim dividend of ₹0.75 paise per share (7.5%) already paid, would aggregate to a total dividend of 17.50 % i.e., ₹1.75 paise (Rupees one and seventy five paise only) per equity share for the year 2023 - 24.

### Share Capital

The paid-up equity share capital as on March 31, 2024 was ₹5,884.64 lakhs. The Company has not issued any shares with differential voting rights nor granted stock options or sweat equity.

**Board Meetings**

During the year 04 Board Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between any two meetings was within the period as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars thereon.

**Directors and Key Managerial Personnel**

Mr. M. Rajavel, (DIN: 08145611) Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Arjun B Kothari, (DIN: 07117816) was reappointed as Managing Director with effect from 01<sup>st</sup> April 2020 for a period of five years and the Board proposes to reappoint him for another period of five years with effect from 01<sup>st</sup> April 2025 subject to approval of shareholders in this Annual General Meeting.

Mr. V. V. SuryaRau (DIN: 00010274) was appointed as an Independent Director w.e.f. 20<sup>th</sup> May 2019 for a term of five years and based on the evaluation of his performance and the recommendation of the Nomination and Remuneration Committee, the Board is of the opinion that Mr. V. V. SuryaRau is a person of integrity and possesses relevant expertise and experience including proficiency of the Independent Director and reappointed him for a second term of 5 years as an Independent Director w.e.f. 20<sup>th</sup> May 2024 subject to approval of shareholders in this Annual General Meeting (which is within three months from the date of re-appointment) by passing a Special Resolution in accordance with Section 149 (10) read with Schedule IV of the Act and Regulation 17(1C) of the SEBI (LODR) Regulations, 2015.

Mr. M. Rajavel, (DIN: 08145611) was appointed as Whole Time Director on 01<sup>st</sup> August 2021 and the Board proposes to re-appoint him for a further period of three years with effect from 01<sup>st</sup> August 2024 subject to approval of shareholders in this Annual General Meeting of the Company.

Mr. Arjun B. Kothari, Managing Director, Mr. M. Rajavel, Whole Time Director, Mr. S. Sivamahesh, Chief Financial Officer and Mrs. K. Priya, Company Secretary are the Key Managerial Personnel of the Company as per section 203 of the Companies Act, 2013.

**Declaration from Independent Directors**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015 that the Independent Directors of the Company continue to meet the criteria of their Independence laid down in Section 149(6) and continue to be included in the Data Bank maintained by

the Indian Institute of Corporate Affairs and the online proficiency self-assessment test requirement pursuant to Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year under review, the Independent Directors met on 26<sup>th</sup> March 2024 without the presence of Non - Independent Directors and members of the Management to evaluate the performance of the Non - Independent Directors & Board as a whole.

**Composition of Audit Committee**

During the year 04 Audit Committee Meetings were held, the details of composition of Audit Committee is provided in Corporate Governance Report of this Annual Report. The Board has not rejected any proposal / recommendations of Audit Committee during the year. The intervening gap between any two meetings was within the period as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The salient features of the Remuneration Policy details are stated in the Corporate Governance Report. The Remuneration Policy approved by the Board of Directors is posted on the website of the Company [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com)

**Vigil Mechanism / Whistle Blower Policy**

The Company has a vigil mechanism named "Whistle Blower Policy" to deal with any genuine concerns raised by the Directors / Employees. The details of the Vigil Mechanism / Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the Company's website [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com). There were no incidents / concerns reported during the year under review.

**Particulars of Loans, Guarantees or Investments**

The Company has not given any Loans or Guarantees covered under the provisions of section 186 of the Companies Act, 2013. The details of investments made by the company are given in the notes to the financial statements.

**Related Party Transactions**

All related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business and there were no 'material' contracts or arrangement or transactions not at arm's length basis and thus disclosure in form AOC-2 is not required.

All related party transactions are placed before the Audit Committee and the Board for approval. Prior omnibus

approval of the Audit Committee is obtained for the transactions which are foreseen and repetitive in nature. For all the transactions entered pursuant to the omnibus approval so granted, a statement giving details of all such transactions is placed before the Audit Committee for their review on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is posted on the Company's website [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com)

#### **Prevention of Insider Trading**

The Company has adopted a Code of Prevention of Insider Trading with a view to regulate trading in securities by the Promoters, Directors and Designated Persons of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's shares by the Promoters, Directors and the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

#### **Directors' Responsibility Statement**

In terms of Section 134(5) of the Companies Act, 2013, the Directors would like to state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments 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 and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Material changes and commitments**

There is no change in the nature of business of the company during the year. There is no material change or commitment affecting the financial position of the company that has occurred since 31<sup>st</sup> March 2024 to the date of this report.

#### **Annual Return**

As required under Section 92(3), copy of Annual Return is placed on the Company's website.

The web link to access the annual return is <https://www.kotharipetrochemicals.com/investors/annual-reports/>

#### **AUDITORS**

##### **a) Statutory Auditor**

The Statutory Auditor of the Company M/s. P. Chandrasekar LLP, Chartered Accountants (Registration No.: 000580S/S200066) was reappointed for the second term by the Shareholders at the 33<sup>rd</sup> AGM held on 02<sup>nd</sup> August 2022 to hold office till the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. There are no qualifications or observations or any adverse remarks made by the Auditors in their Report on the Financial Statements for the year 2023 - 24 and no fraud was reported by auditors under Section 143(12) of the Companies Act, 2013.

##### **b) Cost Auditor**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit Records are maintained by the Company in respect of its Poly Iso Butylene (PIB) unit which are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed M/s. P. Rajulyer, M. Pandurangan & Associates, Cost Accountants in practice for conducting the audit of cost records of the Company and the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. P. Rajulyer, M. Pandurangan & Associates, Cost Accountant is included in Item No. 4 of the Notice convening this 35<sup>th</sup> Annual General Meeting.

##### **c) Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Vasumathy Vasudevan, V. Vasumathy & Associates, Company Secretary in Practice, Chennai as Secretarial Auditor of the Company. The Secretarial Audit Report is forming part of this

Annual Report and does not contain any qualifications or observations.

**d) Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Company has appointed M/s. R. Subramanian & Co. LLP, Chartered Accountants, Chennai as Internal Auditor of the Company.

**Deposits**

The Company has not accepted deposits either from members or public falling within the ambit of Chapter V of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 during the year. There were no outstanding deposits during and end of the financial year 2023 - 2024.

**Significant & Material orders passed by the regulators**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the company and its future operations.

**Internal Control Systems and their Adequacy**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Internal Audit function is carried out by independent firm of Chartered Accountants. The scope and authority of the Internal Audit is defined by the Audit Committee. The Internal Audit Reports are placed before the Audit Committee on quarterly basis for its review and the Internal Auditor attends the Audit Committee meetings.

The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures of the Company based on the report of internal auditor, the Company undertakes corrective action in their respective areas and thereby strengthens the controls.

**Disclosure about Cost Audit**

Filing of Cost Audit Report	2023 - 2024	2022 - 2023
Due Date	27.09.2024	27.09.2023
Actual Date	30.08.2024 (tentatively)	30.08.2023
Cost Auditor Details	M/s. P. Rajulyer, M. Pandurangan & Associates, M.No. 27969, Chennai.	M/s. P. Raju Iyer, M. Pandurangan & Associates, M.No. 27969, Chennai.
Audit Qualification in Report	-	Nil

**Separate Meeting of Independent Directors**

The Independent Directors of the Company had met during the year on 26<sup>th</sup> March 2024 to review the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and also assessed the quality, quantity and time liness of flow of information between the company management and the Board without the presence of the Non-Independent Directors and members of the Management.

**Listing with Stock Exchanges**

The Company is listed in The National Stock Exchange of India Limited (NSE) and the Stock Code is KOTHARIPET and ISIN: INE720A01015. The Company confirms that it has paid the Annual Listing Fees for the year 2024 - 2025 to NSE where the Company's shares are listed.

**Management Discussion and Analysis Report**

A detailed discussion on the industry structure as well as on the financial and operational performance is contained in the 'Management Discussion and Analysis Report' that forms an integral part of this Report.

**Risk Management**

Pursuant to the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down the procedures to inform Board Members about the risk assessment and minimization procedures. Accordingly, the Company periodically submits the Risk Management Report to the Board for their review.

**Corporate Social Responsibility Policy**

Pursuant to the provisions of Section 135 and schedule VII of the Companies Act, 2013, Corporate Social Responsibility Committee (CSR) was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors. The policy on Corporate Social Responsibility as approved by the Board is posted on the Company's website [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com). A detailed report on CSR activities in the prescribed format is forming part of this Annual Report.

**Annual Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out the Annual Performance Evaluation of the Board, its committees and of the individual Directors in the questionnaire format prescribed by the Nomination and Remuneration Committee of the Company.

The structured questionnaire covers various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance etc. The performance evaluation of the Directors (without participation of the relevant Director) was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

### Disclosure under the Insolvency and Bankruptcy Code, 2016

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the financial year.

### Corporate Governance and Shareholders Information

Your Company has taken adequate steps to adhere to all the stipulations laid down in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance forms part of this Annual Report. Certificate from the Practising Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report

### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Human Resources Department created an "Internal Complaints Committee" for the prevention and redressal of sexual harassment of women at workplace as per the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013. There were no incidents of sexual harassment reported during the year under review, in terms of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Company (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided elsewhere in the Annual Report.

### Particulars pursuant to Section 197(12) and the relevant Rules

- (a) The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details: Except Mr.Arjun B.Kothari, Managing Director and Mr.M.Rajavel, Whole Time Director of the Company, no director was in receipt of remuneration except sitting fees.

Sl. No.	Name	Designation	Ratio
(i)	Mr. Arjun B.Kothari	Managing Director	60.44:1
(ii)	Mr. M. Rajavel	Whole Time Director	12.87:1

- (b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sl. No.	Name	Designation	Percentage of Increase
(i)	Mr. Arjun B.Kothari	Managing Director	No increase
(ii)	Mr. M. Rajavel	Whole Time Director	12%
(iii)	Mr. S. Sivamahesh	Chief Financial Officer	12%
(iv)	Mrs. K. Priya	Company Secretary	12%

- (c) No increase was reported in the median remuneration of employees in the financial year 2023 - 2024.  
 (d) The number of permanent employees on the rolls of company as on 31<sup>st</sup> Mar 2024:177  
 (e) Increase of remuneration for employees varies between 6% to 20% and for KMP, the increase in remuneration was 12% for the year.  
 (f) We affirm that the remuneration paid during the period under review, is as per the Remuneration Policy of the company.

### Compliance with Secretarial Standards

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

### Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis as describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ from those either expressed or implied in the statement depending on the circumstances.

### Acknowledgement

Your Directors thank the Banks, Customers, Financial Institutions, Government Authorities, Suppliers and Shareholders for their continued support. Your directors also place on record their appreciation for the services by the employees of the Company.

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

Place : Chennai  
Date : May 16, 2024

**Nina B. Kothari**  
Chairperson



**Information as per Section 197(12) of the Companies Act, 2013 & Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2024**

Sl. No	Name	Designation	Qualification	Gross Remuneration (₹. In Lakhs)	Nature of Employment (Contractual or otherwise)	Date of Commencement of Employment	Age (in years)	Experience	Last or Previous Employment	No. of Equity Shares held	Relative of Director or Manager
1	Arjun B Kothari	Managing Director	B.Sc, Northwestern University, USA & Global Health and European Politics from Paris Institute of Political Studies, Paris, France	462.98	Permanent	08.04.2015	32	10	General Electric Company, USA	9,593 0.01%	Mr. Arjun B. Kothari is the relative of Mrs. Nina B. Kothari, Chairperson of the Company
2	M. Rajavel	Whole Time Director	B.Sc.	101.55	Permanent	04.05.1997	61	38	Chemifab Alkalies Pvt. Limited	-	-
3	P. Premapriyan	Vice President - Operation	B.E Chemical	43.21	Permanent	01.11.2018	44	24	Oren Hydrocarbons Pvt. Ltd.	-	-
4	S. Sivamahesh	Chief Financial Officer	M.Com, FCA	37.96	Permanent	30.01.2019	39	15	Stanadyne India Pvt. Ltd	-	-
5	S. V. Ramesh	DGM - Supply Mgmt	DME	33.97	Permanent	08.10.2011	54	30	Bonfiglioli Transmissions Pvt Ltd.	-	-
6	K. Sreekanthwaran	President - Legal & Taxation	B.Com	31.00	Permanent	16.06.2011	62	13	Madras Entertainment Pvt. Ltd	-	-
7	S. Chellappa	AGM - IT	M.C.A	28.15	Permanent	01.07.2013	56	31	Kothari Sugars and Chemicals Limited	200	-
8	J. Janarthanan	AGM - Taxation	B.com, M.A., M.Phil(Economics), MBA (Finance), PGDCA, LLB	26.06	Permanent	01.07.2013	50	27	Kothari Sugars and Chemicals Limited	-	-
9	K. Srinivasan	AGM - Maintenance	B.E (Mechanical & Production Engineering)	24.54	Permanent	06.06.2011	49	25	Piramal Enterprises Limited	-	-
10	C. Srinivasa Rao	Senior Manager- Treasury	ACA	24.48	Permanent	21.11.2022	45	15	Standard Chartered Global Services Pvt Ltd	-	-

**Notes:**

1. Remuneration shown above includes salary, bonus, and contribution to provident fund, superannuation fund and perquisites valued as per Income Tax Rules, wherever applicable and in other cases at actual cost to the Company.

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

In alignment with the “Vision” of the Company, Kothari Petrochemicals Limited (KPL), through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate, with environmental concern.

The policy encompasses the Company’s philosophy its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.

This policy shall apply to all CSR initiatives and activities taken up by KPL, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

For the purpose of focusing its CSR efforts in a continued and effective manner, the Company takes CSR initiatives covering mainly the poor and needy section of the society living in different parts of India, and would normally be considered as the activities covered under Schedule VII of the Companies Act, 2013 and amendments thereon. As per the Section 135 of the Companies Act, 2013 the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities within the State / States in India.

2. The Composition of the CSR Committee

The Company has constituted the CSR Committee with the following Directors:

Sl. No.	Name of the Directors	Designation	Number of meetings held during the year	Number of meetings of attended during the year
(i)	Mrs. Nina Bhadrashayam Kothari	Chairperson (Non-Executive & Non-Independent)	01	01
(ii)	Mr. Arjun B. Kothari	Member (Executive & Non-Independent)	01	01
(iii)	Mr. S. Sundarraman	Member (Independent)	01	01

3. Details of the web link where Composition of the CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

<https://www.kotharipetrochemicals.com/wp-content/uploads/2024/06/3.-CSR-Policy-with-annual-action-plan-2023.pdf>

4. Details of executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. (a) Average net profit of the company as per section 135(5)

(₹ in Lakhs)

Sl. No.	For the Financial Year	Annual Net Profit
(i)	2022 - 2023	5,449.27
(ii)	2021 - 2022	4,521.39
(iii)	2020 - 2021	3,122.90
<b>Total</b>		<b>13,093.56</b>
<b>Average Net Profit</b>		<b>4,364.52</b>

**(b) Two percent of average net profit of the company as per section 135(5)**

2% of Average Net Profit works out to ₹87.30 Lakhs

**(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years : Nil**

**(d) Amount required to be set off for the financial year, if any : Nil**

**(e) Total CSR obligation for the financial year (5b+5c-5d) : ₹87.30 Lakhs**

**6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project) :**

₹87,30,210/- was spent on other than ongoing projects for the financial year 2023 - 2024 and no ongoing project was approved during the financial year.

**(b) Amount spent in Administrative Overheads : Nil**

**(c) Amount spent on Impact Assessment, if applicable : Nil**

**(d) Total amount spent for the Financial Year (6a+6b+6c) : ₹87,30,210**

**(e) CSR Amount spent or unspent for the financial year : (Amount Unspent (in ₹))**

Total amount spent for the Financial year (amount in ₹)	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 87,30,210/-	Nil		Nil		

**(f) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	87,29,039
(ii)	Total amount spent for the Financial Year	87,30,210
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,171
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years (iii)-(iv)]	1,171

**7. Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance Amount Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any.		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
Not Applicable								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year.

Yes       No

If yes, enter the number of Capital assets created / acquired : Not Applicable.

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property)	Pincode of the property or asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity / Authority / Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5)

2% of average Net Profit has been spent during the financial year 2023 - 2024.

Place: Chennai  
Date : May 16, 2024

**Arjun B Kothari**  
Managing Director  
DIN: 07117816

**Nina B. Kothari**  
Non executive Director &  
Chairperson of the CSR Committee  
DIN: 00020119

**FORM NO. MR 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**  
**[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To

The Members

**KOTHARI PETROCHEMICALS LIMITED**

CIN: L11101TN1989PLC017347

Kothari Buildings, No. 115, Nungambakkam High Road,  
Chennai - 600 034.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KOTHARI PETROCHEMICALS LIMITED** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by **KOTHARI PETROCHEMICALS LIMITED** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended **March 31, 2024**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records, including the website of the Company, maintained by **KOTHARI PETROCHEMICALS LIMITED** for the financial year ended March 31, 2024 according to the provisions of:
  - (i) Companies Act, 2013 ("the Act") and the rules made thereunder, as applicable;
  - (ii) Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
  - (e) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the audit period, since there were no issues or any such events during the year which required specific compliance under:
    - (a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - (b) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
    - (c) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
    - (d) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
    - (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  3. I have examined compliance with the following other laws specifically applicable to the industry to which the Company is engaged in the business of, including various Rules and Notifications prescribed thereunder under the said laws given below:
    - (a) Boilers Act, 1923;
    - (b) Petroleum Act, 1934;
    - (c) Environment (Protection) Act, 1986; and
    - (d) Explosives Act, 1884;

I have relied on the representation made by the Company and its officers, relating to systems and mechanisms framed by the Company, for ensuring compliance with the other Applicable Acts specific to the Industry, Laws and Regulations as applicable to the Company.

4. I have also examined compliance with the applicable clauses of the following:
  - (i) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India, as approved by the Central Government and the amendments w.r.t. the same; and
  - (ii) The Listing Agreement entered into by the Company with The National Stock Exchange of India Limited under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

5. I further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director(s). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule Board Meetings, agenda and detailed notes on agenda were sent to them at least seven days in advance, except in cases where shorter notice were given, the same was approved by all directors at Board Meeting(s) as per the Minutes of the said Board Meeting(s), thereby complying with the provisions of the Act and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Decisions are carried through Majority, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

7. I further report that during the audit period, the Company did not have any events which had a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc referred to above.

for **M/s. V. Vasumathy & Associates**

**Vasumathy Vasudevan**

Practising Company Secretary

FCS No.: 5424 / COP No.: 9451

**Place :** Chennai

**Date :** April 30, 2024

UDIN : F005424F000281623

Peer Review Certificate No. 680/2020

This report is to be read with my letter of even date which is annexed as "**Annexure-A**" and forms an integral part of this report.

**Annexure - "A"**

To

The Members

**KOTHARI PETROCHEMICALS LIMITED**

CIN: L11101TN1989PLC017347

Kothari Buildings, No. 115, Nungambakkam High Road,  
Chennai - 600 034.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. I further report that the compliance by the Company of other applicable laws like direct and indirect tax laws have not been reviewed in this audit, since the same have been subject to review under statutory financial audit and other designated professionals.
7. The Secretarial Audit Report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
8. We have also relied on scanned / soft copies of various documents / records which were provided by the Company.

for **M/s. V. Vasumathy & Associates**

**Vasumathy Vasudevan**

Practising Company Secretary

FCS No.: 5424 / COP No.: 9451

**Place :** Chennai

**Date :** April 30, 2024

Peer Review Certificate No. 680/2020

## Management Discussion and Analysis

### Industry Structure & Development :

Polyisobutylene (PIB) is a liquid Polymer made from Isobutylene, this polymer is used in many applications such as Lubricant additive, Transmission & Internal Combustion Engines, Adhesives, Sealants, Rubber Chemicals, Explosives & Personal Care / Cosmetics. The automotive segment uses PIB as a fuel additive as well as a lubricant additive, either directly or in formulation packages, this category generally demands large volumes of PIB. This Polymer helps to complete the combustion of the fuel when it is added, leaving behind less unburnt hydrocarbons. It improves the performance of dispersants when used in their formulations. Our product is well placed in the adhesive and sealant segment, we have established ourselves with a broad number of customers both locally and abroad. The plastic master batch segment and cosmetic / personal care segment are high growth segments and will be in a key focus for your Company to establish a leadership position in a fragmented & unchanged market. Our product offers a competitive alternative to silicone & paraben formulations in the personal care and cosmetic segments which is an emerging trend in this space.

PIB is an inert polymer in nature but will react with other chemicals under certain conditions to give various derivatives to target specific end usages. PIB is available in many variants and molecular weights around the world our company is focused on specific band of product offerings which would classify your Company as a Low Molecular Weight PIB producer.

Due to various geopolitical issues across the globe, your company has found opportunities in foreign markets, which we have aggressively targeted. Certain competitors have had issues running their plants due to situations that pertaining to their geography. Their inability to supply has given our company a strong customer driven growth for expansion with some pricing power. These instances have given your company a great opportunity to capture a significant share of the market.

### Outlook :

Kothari Petrochemicals Limited (KPL) remains the sole manufacturer of PIB in India for the year 2023-2024, satisfying approximately 91% of the domestic demand for conventional PIB. There was a substantial increase in consumption of PIB in India by 15% in FY23-24, which was also fulfilled by KPL. This is set to continue for the near future.

Continuing to serve as a dependable PIB supplier, KPL has established its presence in China and the Southeast Asian market through its well-established supply chain management. With increased production capacity and enhanced product quality, KPL has significantly expanded its customer base overseas. Additionally, the company is exploring the feasibility of establishing stock points in select regions to ensure consistent product availability.

### Opportunities :

Anticipating a rise in demand for higher molecular weight PIB as a viscosity modifier, KPL is committed to leveraging

this opportunity. Insights gathered from discussions with customers, end consumers, and stakeholders indicate substantial growth potential for PIB demand in the sealant and adhesive segment going forward.

The master batch segment has experienced notable market response, with year-on-year exponential growth facilitated by efforts to establish a robust distribution network PAN - India through our dealers.

Numerous derivatives of PIB enjoy widespread global use, and our company remains dedicated to developing application-based products tailored to these segments.

The advancement in automation & robotics in industrial usage indicates a rise in demand for lubricant oils for their operations, which will drive PIB demand.

### Risks, Concerns & Threats :

KPL currently relies on nearby refineries and another source on the western coast for raw materials. While a lack of proprietary raw material sources poses a risk, existing supply arrangements are supported by long-term contracts.

Quality inconsistencies in refinery supplies and extended payment terms from overseas customers pose concerns, particularly regarding foreign exchange risks tied to monthly fluctuations in raw material pricing.

Despite KPL's presence in Chinese and Asian markets, stiff competition persists from manufacturers in Korea, Japan, and China.

Global PIB demand has remained steady, driven partly by uncertainties in the availability of specific grades of refinery base oil. Logistics challenges such as vessel availability and fluctuations in ocean freight rates have eased compared to previous years. Lessons learned during the pandemic have enabled us to collaborate closely with key customers to navigate supply chain bottlenecks, implement robust business continuity plans, and ensure customer satisfaction and product reliability.

While electric vehicle adoption has surged, direct or indirect usage of PIB in automotive segments has remained stagnant. However, PIB continues to be vital in the lubricant segment, essential for electric vehicles, heavy motors, railways, marine engines, and metal working fluids, with further growth anticipated.

Despite global economic instability, the relatively strong position of the Indian economy prompted us to hedge exports against currency fluctuation risks.

Tensions between Russia and Ukraine have disrupted the global oil market, leading to volatility in prices and impacting supply-demand dynamics in the European region. Additionally, Europe's decision to raise import duties by 3% for supplies from India has further affected sales realization in the region.

### Internal Control Systems and their adequacy :

The Company has established a system of internal control across all its business operations and to safeguard its

assets. Periodic Auditing of all key areas are taking place and the Audit report is being thoroughly reviewed by the Audit Committee / Board and the Management to ensure that the internal control system operates effectively.

Clear policies have been laid down for approval and control of expenditure. Investment decisions involving capital expenditures are subjected to detailed appraisal and review. Capital and revenue expenditures are monitored and controlled with reference to approved budgets.

**Human Resources / Industrial Relations :**

Our team is our most important resource and needs to be grown, managed and challenged correctly for success, stability and growth of our organization.

During the year, employees attended various in-house trainings - Technical and Soft skills as part of Employee Development Program.

During the year, industrial relations continued to be cordial, conducive, and mutually productive. The Company's Industrial Relations policy has been benchmarked to the manufacturing sector. This has helped to build a healthy relationship and resolve issues through mutual dialogue.

Total number of employees as on 31<sup>st</sup> March 2024 was 177 in respect of petrochemical operations.

**Operational Performance :**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Number of days operated:		
Plant 1	351 days	307 days
Plant 2	351 days	307 days
Total Production in Metric Tons	40,782 MT	32,640 MT
Plant Capacity utilization (based on stream days.)	100%	100%
Accident free operation	366 days	365 days

**Financial Performance :**

The Company has reported total Revenue from operations of ₹60,313.72 lakhs for the year ended 31.03.2024 as compared to ₹48,214.70 lakhs for the year ended 31.03.2023. The Company's profit after tax (PAT) for the financial year 2023 - 2024 is ₹6,378.41 lakhs as against ₹3,917.69 lakhs in 2022 - 2023.

**Key Ratios**

Description	U/M	2023-24	2022-23	Remarks
Debtors Turnover	Days	30.69	27.25	Due to increase in Export sales.
Inventory Turnover	Days	19.61	22.59	Due to vendor managed inventory system.
Interest coverage Ratio	Times	80.91	22.57	Due to repayment of Loans in full.
Debt Equity Ratio		0.29:1	0.41:1	Due to repayment of Loans in full and Improved reserves resulted from increase in Profits.
Operating Profit Margin	%	17.29	13.14	Due to increase in Sales volume.
Net Profit Margin %	%	10.58	8.13	Due to increase in Sales volume.
Return on Net worth	%	39.05	30.10	Due to increase in profits and reserves.

Also, Please Refer Note 40(i) of the financial statements.

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

Place : Chennai  
Date : May 16, 2024

**Nina B. Kothari**  
Chairperson



## CORPORATE GOVERNANCE

### 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 values 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 counselling. The company has established systems and procedures to ensure that the Board of the Company is well informed and well equipped to fulfil its overall responsibilities and to provide the management, the strategic direction it needs.

### Board of Directors

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Composition of the Board and Directorship held as on 31<sup>st</sup> March 2024

Name of the Directors	Director Category	No. of Board Meetings Attended	Attendance of previous AGM held on Aug 09, 2023	Number of Directorships in other companies	No. of Committee Memberships in other companies		No. of shares held by the Director
					Chairman	Member	
Mrs. Nina B. Kothari	Promoter & Non - Executive Chairperson	4	Yes	13	-	-	62,57,500
Mr. Arjun B. Kothari	Promoter & Managing Director	4	Yes	11	-	1	9,593
Mr. M. Rajavel	Whole Time Director	4	Yes	-	-	-	Nil
Mr. S. Sundarraman	Independent	4	Yes	01	-	-	4,000
Mr. V. V. SuryaRau	Independent	4	Yes	-	-	-	Nil
Mr. Brij Mohan Bansal	Independent	4	LOA	2	-	1	4,000
Mr. Gautam Roy	Independent	4	Yes	-	-	-	Nil

#### Notes:

- Count of Other directorship also includes Private Limited Companies.
- Only membership in Audit Committee and Stakeholders Relationship Committee has been reckoned for Committee Memberships.
- The time gap between the Board Meetings was within the prescribed time limits.
- Mr. Arjun B Kothari, Managing Director of the Company is the relative of Mrs. Nina B Kothari, Chairperson of the Company. None of the other directors is related inter se in any manner.

The Board of Directors met four times during the year on 26<sup>th</sup> May 2023, 09<sup>th</sup> Aug 2023, 09<sup>th</sup> Nov 2023 and 09<sup>th</sup> Feb 2024.

None of the Directors on the Board is a member of more than 10 committees or act as Chairperson of more than 5 committees across all Listed Companies and Unlisted Public Limited Companies in which he/she is a Director.

#### Familiarisation programme for Independent Directors

A Familiarisation Programme for Independent Directors of the Company was conducted either before or after the completion of Board Meetings and the details of such familiarisation programmes are disseminated on the website of the Company viz. [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com)

Presentations / briefings were also made at the meeting of the Board of Directors / Committees by the KMP's / Senior Executives of the Company on Company's financial and operational performance, industrial relations prevailing during the period, marketing strategies, etc.

#### Name of Other Listed Companies in which Directors of the Company is a Director and their category:

Sl. No.	Name of the Director	Name of Other Listed Company	Category of Directorship
(i)	Mrs. Nina B. Kothari	Kothari Sugars and Chemicals Limited	Non-Executive Director
(ii)	Mr. Arjun B. Kothari	Kothari Sugars and Chemicals Limited	Managing Director
(iii)	Mr. Brij Mohan Bansal	Asian Energy Services Limited	Independent Director
(iv)	Mr. S. Sundarraman	Kothari Sugars and Chemicals Limited	Independent Director

**Core skills, expertise and competencies of the Board of Directors:**

The Board of Directors has identified the following core skills, expertise and competencies in the context of the Company's business and sector for it to function effectively which are given below:

The Directors shall possess hands on expertise on technical, academic skills, general management, global business, technology, manufacturing / operations, risk management etc. The Directors shall understand company's structure, policies, and culture including the mission, vision, values, goals, current strategic plan and governance structure and also in which the Company operates including the industrial trends, challenges and opportunities, unique dynamics within the sector that are relevant to the success of the Company.

The Directors shall have ability to understand and analyze financial reports / key financial statements to review and analyze budgets, annual operating plans considering Company's resources, strategic goals and priorities, analyze various reports, create and incorporate multiple view points with different perspectives. Ability to identify key risks to the Organisation in a wide range of areas including production, marketing, legal and regulatory compliance management and systems.

The following matrix sets out the skills, expertise and competence of each of the Directors in the Company:

Sl. No.	Name of the Directors	Skills, Expertise and Competence
(i)	Arjun B. Kothari	Well recognized for his business acumen and Leadership skills. Proven Leader in making sound commercial Judgements and managing risks and challenges of the business. Strategic thinker with the right capacity to steer the company.
(ii)	Nina B. Kothari	Well known for her diversified business knowledge and Mentoring abilities and also having hands on experience in General Management and business management.
(iii)	M. Rajavel	Hands on experience in General Management, Manufacturing Operations and Marketing of Chemical Products. Associated with Kothari Petrochemicals since year 1997 handling various Group expansion projects, Marketing, Commercial functions of the company. Acclaimed for the end to end knowledge in the Manufacturing, Operations, Marketing and Commercial operations of the company.

(iv)	V. V. SuryaRau	An alumnus of IIT (Madras) and a veteran Chemical Engineer with five decades of experience in Petroleum industry. Hands on expertise in the refinery operations and manufacture of petroleum products. Highly skilled in operational excellence, safety and risk management areas. Past Chairman of the Expert committee of The Indian Chemical Manufacturers Association.
(v)	S. Sundarraman	A Chartered Accountant with over thirty two years of experience in auditing, taxation(particularly international taxation) with litigation experience and business advisory services. Consistently recognized for his ability to design and implement proactive, cost-saving solutions for businesses. Professional Expertise in Consulting, Corporate Law, Finance, General Management, Legal and Taxation.
(vi)	Brij Mohan Bansal	An alumnus of IIT (Delhi) who possesses more than 46 years of experience in Oil and Gas sector in areas spanning Business Development, R & D, Refining and Technical Services. Mr. Bansal has served on Boards of many leading Petrochemical Companies. Past Chairman of the Indian Oil Corporation.
(vii)	Gautam Roy	Technocrat having more than 40 years of experience in the Oil Refining Industry with expertise in Refinery Operations and Economics, Project Conceptualization & Execution, Production planning & Optimization, Crude procurement, Technical Services, Operating Cost Minimization, Quality Control, Supply Demand Analysis & Co- ordination and Financial Management. Held the position of Managing Director of Chennai Petroleum Corporation Limited

Considering the skills, expertise and competencies required for effective functioning and discharge of Board's duties, your Board is satisfied with the present composition of the Board of Directors. In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

**COMMITTEES OF THE BOARD**

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and a Non-mandatory Committee viz. Investment and Credit Approval Committee. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The Minutes of the Committee Meetings are tabled at the subsequent Board Meetings.

**AUDIT COMMITTEE**

The Audit Committee comprises of the following Independent Directors and attendance of each director for the year ended 31<sup>st</sup> March 2024 is as follows::

Sl. No.	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
(i)	Mr. S. Sundarraman	Chairman	04	04
(ii)	Mr. V. V. SuryaRau	Member	04	04
(iii)	Mr. Brij Mohan Bansal	Member	04	04
(iv)	Mr. Gautam Roy	Member	04	04

The Chairman of the Audit Committee was present at the 34<sup>th</sup> Annual General Meeting of the company held on 09<sup>th</sup> Aug 2023. The Audit Committee met four times during the year on 26<sup>th</sup> May 2023, 09<sup>th</sup> Aug 2023, 09<sup>th</sup> Nov 2023, and 09<sup>th</sup> Feb 2024.

The Audit Committee acts as a link between the Board of Directors and the Statutory and Internal Auditors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The role and terms of reference of the Audit Committee are governed in line with the regulatory requirements as mandated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the members of Audit Committee are financially literate and have relevant finance / accounting exposure. The Managing Director, Whole Time Director and Chief Financial Officer are permanent invitees to the meetings of the committee. The Statutory Auditors and Internal Auditors were present at the Audit Committee meetings. The Company Secretary acts as the Secretary to the Committee. The composition of the Audit Committee is as per Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprises of Non-Executive and Independent Directors. Mr. S. Sundarraman is the Chairman of the Committee. Mr. V. V. SuryaRau and Mrs. Nina B. Kothari are the other members.

The Company Secretary is the secretary to the Committee. The Chairman of Nomination and Remuneration Committee was present at the 34<sup>th</sup> Annual General Meeting of the Company held on Aug 09, 2023.

The attendance of each Director in the Nomination and Remuneration Committee meeting held during the year ended 31<sup>st</sup> March 2024 is as follows:

Sl. No.	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
(i)	Mr. S.Sundarraman	Chairman	01	01
(ii)	Mrs. Nina B.Kothari	Member	01	01
(iii)	Mr. V.V.SuryaRau	Member	01	01

The Committee met once during the year on May 24, 2023.

**Remuneration Policy**

**Policy for selection and Appointment of Directors / KMP / Senior Management and their Remuneration**

The Nomination and Remuneration (N&R) Committee has framed a Policy which inter alia, deals with the manner of selection of Board of Directors and Managing Director / KMPs / Senior Management and their remuneration.

**Criteria of selection of Non-Executive Directors**

- a) The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- b) The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board, the candidature for appointment as Director.
  - (i) Qualification, expertise and experience of the Directors in their respective fields;
  - (ii) Personal, Professional or business standing;
  - (iii) Diversity of the Board.
- c) In case of re-appointment of Non - Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his/her engagement level.

**Remuneration**

The Non-executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission of such sum as may be approved by the Board of Directors within the limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Remuneration details of Managing Director and Whole Time Director are disclosed in detail elsewhere in the Board's Report.

In accordance with the approval of the members of the Company vide Special resolution dated 09<sup>th</sup> Aug 2023 Ms. Nina B. Kothari, the Non-Executive Chairperson is entitled for a commission of 1% of the Net Profits of the Company as computed in the manner laid down in Section 198 of the Act, subject to a minimum of ₹50,00,000/- for the financial year 2023 - 2024. The other Non-executive

Directors of the company are not paid any remuneration except sitting fees. The details of the transactions and pecuniary relationship with the Non-executive Directors vis-à-vis the Company are disclosed elsewhere in the Annual Report.

**Criteria for Performance evaluation framed by N & R Committee**

- Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee shall lay down the criteria for the formal annual evaluation of Board, Committees and individual Directors.
- Pursuant to the above requirements, the Nomination and Remuneration Committee has framed a format inter alia containing attendance & participation at meetings, inputs provided & its impact on the company whether positive or adverse etc. for the Annual Evaluation of the performance of the Board, Individual Directors and its Committees. Thus, Nomination and Remuneration Committee recommends the devised format to the Board to apply while conducting the Annual Evaluation.

The Remuneration Policy approved by the Board of Directors is posted on the website of the Company [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com)

**Details of Sitting Fees paid during the financial year 2023 - 2024**

(Amount in ₹)

Name of the Directors	Sitting Fees Paid					
	Board Meeting	Audit Committee	CSR Committee	Nomination & Remuneration Committee	Independent Director Meeting	Total
Mrs.Nina B. Kothari	2,00,000	N.A	10,000	10,000	N.A	2,20,000
Mr.S. Sundarraman	2,00,000	80,000	10,000	10,000	10,000	3,10,000
Mr.V. V. SuryaRau	2,00,000	80,000	N.A	10,000	10,000	3,00,000
Mr.Brij Mohan Bansal	2,00,000	80,000	N.A	N.A	10,000	2,90,000
Mr. Gautam Roy	2,00,000	80,000	N.A	N.A	10,000	2,90,000
<b>Total</b>	<b>10,00,000</b>	<b>3,20,000</b>	<b>20,000</b>	<b>30,000</b>	<b>40,000</b>	<b>14,10,000</b>

The other transactions with non-executive directors' vis-à-vis the company during the Financial Year ended 31<sup>st</sup> March, 2024 are disclosed elsewhere in the annual report.

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee carries out the functions of transmissions, issue of duplicate share certificates, dematerialisation of shares and all other issues pertaining to shares and also to redress investor grievances like non-receipt of dividend warrants, non-receipt of share certificates, non-receipt of Annual Reports etc.

In order to expedite the process, the Board of Directors has also delegated the authority severally to the Stakeholders Relationship Committee and the Company Secretary to approve the share transmissions and accordingly, the Stakeholders Relationship Committee or the Company Secretary approve the transmission of shares generally on a fortnight basis. The committee also reviews the performance of the Registrar and Share Transfer Agents.

The Committee met 11 times during the year 2023 - 2024. No sitting fee is paid for attending the meeting of the Committee.

The attendance of each Director in the Stakeholders' Relationship Committee meeting held during the year ended 31<sup>st</sup> March 2024 is as follows

Sl. No.	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
(i)	Mrs. Nina B.Kothari	Chairperson	11	11
(ii)	Mr. Arjun B.Kothari	Member	11	11
(iii)	Mr. S. Sundarraman	Member	11	11

The Chairperson of the Stakeholders' Relationship Committee was present at the previous 34<sup>th</sup> Annual General Meeting of the company held on Aug 09, 2023.

No Complaints were received from the Shareholder(s) / Department(s) during the financial year 2023 - 2024.

Pursuant to SEBI (LODR) Regulations 2015, the Company is processing the investor complaints in a web-based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received, if any from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Ms. K. Priya, Company Secretary, is the Compliance Officer of the Company. For any clarification / complaint the shareholders may contact the Secretarial Department at the Registered Office of the Company.

Also, an investor can initiate online dispute resolution through the ODR portal after the option to resolve complaint / dispute with the listed entity through the aforesaid available routes i.e. Raising the grievance with the listed entity / its RTA and SEBI SCORES are exhausted.

The Online Dispute Resolution Portal named SMART ODR Portal- 'Securities Market Approach for Resolution through ODR' offers a user-friendly platform to file disputes for resolution through Online conciliation and online Arbitration. It enables investors to access Online Dispute Resolution Institutions for the resolution of their complaints. The weblink of the SMART ODR portal is <https://smartodr.in/>

#### Senior Management:

The Senior Management comprises of the following Personnel of the Company and there was no change in the Senior Management during the financial year 2023 - 24.

S. No.	Name of the Person	Designation / Role
1.	Mrs. K. Priya	Company Secretary
2.	Mr. S. Sivamahesh	Chief Financial Officer
3.	Mr. K. Sreekanteswaran	President - Legal & Taxation
4.	Mr. P. Premapiriyam	Plant Head, Manali (Vice President - Operations)
5.	Mr. S. V. Ramesh	DGM - SCM & Commercial

#### General Body Meetings:

The details of the Annual General Meetings held in the last three years are as follows:

Year / Date / Day / Time	Venue
2022 - 2023 August 09, 2023, Wednesday, 02:00 P.M	The Annual General meeting was held through Video Conferencing ("VC") / Other AudioVisual Means ("OAVM"). The Registered office i.e. No.115, Kothari Buildings, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034. shall be deemed to be venue of the meeting
2021 - 2022 August 02, 2022, Tuesday, 10:30 A.M	
2020 - 2021 July 29, 2021, Thursday, 11:00 A.M	

The details of Special Resolutions passed in AGM/EGM in the last 3 years are as follows:

Date of AGM	Whether any Special Resolution was passed	Particulars
Aug 09, 2023	Yes	Payment of Commission to Mrs. Nina B. Kothari, Non-Executive Chairperson of the Company.
Aug 02, 2022	Yes	Re-appointment of Mr. S. Sundarraman, Independent Director of the Company.
Jul 29, 2021	Yes	(i) Re-appointment of Mr. M. Rajavel as Whole Time Director of the Company. (ii) Adoption of new set of Articles of Association of the Company in line with Companies Act, 2013

No Special Resolution was passed by the shareholders of the company through postal ballot during the year 2023 - 2024.

#### MEANS OF COMMUNICATION

- The Unaudited Quarterly Financial Results and Audited Annual Financial Results of the company are published in The Financial Express and Makkal Kural.
- The Company's website address is: [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com). The website contains basic information about the company and such other details as required under Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company ensures periodical updation of its website. The Company has designated email-id [kplcs@hckgroup.com](mailto:kplcs@hckgroup.com) and [secdept@hckgroup.com](mailto:secdept@hckgroup.com) to enable the shareholders to register their grievances.
- Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all data related to quarterly financial results, shareholding pattern, report on Corporate Governance, all material events, etc., are filed in NEAPS / New Digital Exchange (NSE Portal) within the time frame prescribed in this regard.
- No presentations have been made to institutional investors or to analysts.

**GENERAL SHAREHOLDER INFORMATION**
**(a) Annual General Meeting**

<b>Day, Date and Time</b>	Thursday, 25 <sup>th</sup> July 2024 @ 11:00 A.M.
<b>Venue</b>	The Annual General meeting will be held through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”). The Registered office i.e. No.115, Kothari Buildings, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034 shall be deemed to be venue of the meeting.

**(b) Financial Calendar of the Company**

The Financial year covers the period from 1<sup>st</sup> April to 31<sup>st</sup> March.

Results for Quarter ending 30 <sup>th</sup> June, 2024	First fortnight of August, 2024
Results for Quarter ending 30 <sup>th</sup> September, 2024	First fortnight of November, 2024
Results for Quarter ending 31 <sup>st</sup> December, 2024	First fortnight of February, 2025
Results for Quarter ending 31 <sup>st</sup> March, 2025	Last Week of May, 2025

**(c) Date of Book Closure**

The period of Book Closure is fixed from Friday, 19<sup>th</sup> July 2024 to Thursday, 25<sup>th</sup> July 2024 (both days inclusive).

**(d) Dividend Payment**

The Board of Directors of the Company at its meeting held on 09<sup>th</sup> February 2024, declared an Interim Dividend at the rate of 7.5% i.e., ₹0.75 Paise (Seventy Five Paise only) per equity share of ₹10/- each for the Financial Year 2023 - 24 to the shareholders of the Company. Accordingly, the Interim Dividend for the Financial Year 2023 - 24 was paid on 02<sup>nd</sup> March 2024 to the Shareholders whose names appeared in the Register of Members as on 19<sup>th</sup> February 2024.

The Board of Directors of the Company at their meeting held on 16<sup>th</sup> May 2024, recommended the final dividend at the rate of 10% i.e., ₹1.00 (Rupee One only) per equity share of ₹10/- each for the Financial Year 2023 - 24 to the shareholders of the Company.

The Final Dividend together with Interim Dividend of ₹0.75 paise per equity share (7.5%) declared at the Board Meeting held on 09<sup>th</sup> February 2024 would result in a total dividend of 17.5% i.e., ₹1.75/- (Rupees One and Seventy Five paise only) per equity share of face value of ₹10/- each for the financial year 2023 - 2024.

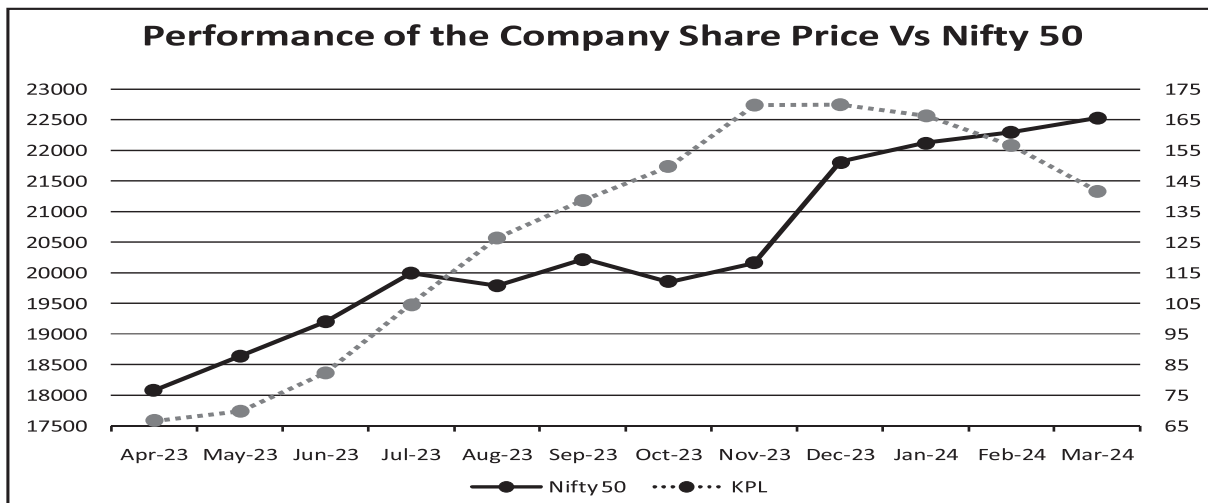
**(e) Listing of Shares**

The shares of the Company are listed at The National Stock Exchange of India Limited (NSE), Mumbai and the Listing Fees for the Financial Year 2024 - 25 has been paid. (Stock Code: KOTHARIPET), ISIN: INE720A01015.

**(f) Details of the outstanding ADRs / GDRs / Warrants or Convertible Instruments: Nil**
**(g) Stock Market Data**

(Amount in ₹)

FY 2023-24	Kothari Petrochemicals Limited Share Price			Nifty 50		
	Month	High	Low	Volume of shares traded	High	Low
Apr 2023	67.00	57.60	6,62,310	18,089.15	17,312.75	445,97,62,894
May 2023	69.80	61.85	9,36,379	18,662.45	18,042.40	573,73,98,688
Jun 2023	82.40	64.55	32,29,521	19,201.70	18,464.55	514,41,88,356
Jul 2023	104.70	75.05	96,31,337	19,991.85	19,234.40	580,22,71,229
Aug 2023	126.45	93.10	1,05,16,368	19,795.60	19,223.65	625,39,92,252
Sep 2023	138.70	108.15	65,22,875	20,222.45	19,255.70	607,76,73,965
Oct 2023	149.85	113.00	98,77,286	19,849.75	18,837.85	424,85,11,422
Nov 2023	169.90	126.40	98,71,904	20,158.70	18,973.70	442,33,23,090
Dec 2023	170.00	137.80	34,40,089	21,801.45	20,183.70	612,13,73,605
Jan 2024	166.30	142.45	43,37,910	22,124.15	21,137.20	698,64,53,888
Feb 2024	156.95	114.30	28,73,455	22,297.50	21,530.20	694,64,14,756
Mar 2024	141.75	108.15	15,56,641	22,526.60	21,710.20	673,26,71,167



**(h) Distribution of Shareholding as on 31<sup>st</sup> March 2024**

(Amount in ₹)

₹ of Equity shares held	No. of Shareholders	Paidup Capital
Upto 5000	34,626	3,33,22,930
5001-10000	2,057	1,67,44,800
10001-20000	797	1,21,47,870
20001-30000	229	59,34,730
30001-40000	101	36,67,580
40001-50000	110	52,32,800
50001-100000	120	88,64,040
100001 and above	112	50,25,49,250
<b>Total</b>	<b>38,152</b>	<b>58,84,64,000</b>

**(i) Reconciliation of Share Capital Audit**

Quarterly audit was conducted by a Practising Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March 2024, the aggregate of shares held by investors in both physical form and in electronic form with the depositories are reconciled. 5,77,10,725 equity shares representing 98.07% of the paid-up equity share capital have been dematerialized as on 31<sup>st</sup> March 2024.

**(j) Registrar and Share Transfer Agents**

M/s. Cameo Corporate Services Limited, having its Registered Office at Subramanian Building, 5th Floor No.1, Club House Road, Chennai - 600 002 are the Registrars for the Demat segment and also the Share Transfer Agents of the company, to whom communications regarding share transfer and dematerialization requests must be addressed. All matters connected with share transfer, transmission, dividend payment are handled by the share transfer agent.

**(k) Foreign Exchange Risk and hedging activities**

The Company follows the practice of taking forward cover for all the Exports so as to minimize the negative impact of fluctuation in Foreign Exchange rates and also have a robust mechanism to monitor the movements in Foreign Exchange rates and covering the exports when the rates are favourable.

**(l) Plant Location**

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

**(m) Address for Correspondence**

Company's Registered Office	Company Share Transfer Agent
The Company Secretary <b>Kothari Petrochemicals Limited</b> Kothari Buildings, 115, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034. Tel Nos. 044 - 3522 5527, 3522 5528 e-mail : secdept@hckgroup.com	M/s.Cameo Corporate Services Limited Unit: Kothari Petrochemicals Limited Subramanian Building, No. 1, Club House Road, Chennai - 600 002. Phone No. 044 - 40020700 / 710 Online Investor Portal : <a href="https://wisdom.cameoindia.com">https://wisdom.cameoindia.com</a> Website : <a href="http://www.cameoindia.com">www.cameoindia.com</a>

**(n) Credit Rating and revision thereto**

ICRA Limited a credit rating agency has rated the following facilities which are availed from Bank as detailed below.

Sl. No.	Scale	Amount (₹ in Crores)	Previous Rating	Present Revised Rating	Remarks
(i)	Long Term rating for OCC / Term Loan	44.78*	[ICRA] A (stable) [pronounced as ICRA A]	[ICRA] A (stable) [pronounced as ICRA A]	Existing ratings are re-affirmed
(ii)	Short Term rating for Bank Guarantee	20.00	[ICRA] A1 [pronounced as ICRA A one]	[ICRA] A1 [pronounced as ICRA A one]	

**Note :** \*The Term loan was fully repaid during the month Oct 2023 and Term Loan outstanding is 'Nil' as on 31.03.2024. There is no change in the sanctioned OCC Limit of 20 Crores.

**OTHER DISCLOSURES**
**Related Party Transactions**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis.

There was no materially significant related party transaction having potential conflict with the interests of the Company during the year. As per the requirements of Indian Accounting Standard 24, Transactions with related parties are disclosed in the notes to accounts annexed to the financial statements.

In terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained prior approval of the audit committee for entering into transactions with the Related Parties.

The approved policy for related party transactions has been uploaded on the Company's website [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com)

**Vigil Mechanism / Whistle Blower Policy**

The Company has formulated a Vigil Mechanism / Whistle Blower Policy and has established a mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy.

The Vigil Mechanism / Whistle Blower Policy broadly covers a detailed process for reporting, handling and investigation

of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities / unethical behaviour. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee directly. The Company affirms that no one has been denied access to the Audit committee. Further details are available in the Vigil Mechanism / Whistle Blower Policy of the Company posted on the Company's Website [www.kotharipetrochemicals.com](http://www.kotharipetrochemicals.com)

**Compliances**

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other statutory authority on such matters. The disclosure of compliances with respect to Corporate Governance requirements as specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 is made in the Corporate Governance Report.

**Compliance with Mandatory / Non-mandatory Requirements**

The Company has complied with all applicable mandatory requirements in terms of Regulation 34(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.



**Particulars of payment of fees to Statutory Auditor**

The Members at the 33<sup>rd</sup> Annual General Meeting held on 02<sup>nd</sup> August 2022 have re-appointed M/s. P. Chandrasekar LLP, Chartered Accountants as the Statutory Auditor of the Company and to hold office till the conclusion of the 38<sup>th</sup> Annual General Meeting (AGM) of the Company. The Company does not have any Subsidiaries. No fees were paid during the year to any entity in the network firm / network entity of which the Statutory Auditor is a part.

The Audit Committee approved the fee for other services rendered by the Statutory Auditors other than the Statutory Audit. The total fees paid for the year 2023 - 24 to M/s. P.Chandrasekar LLP, Chartered Accountants, is given below:

SI No.	Description of the Service	Fees (Amount in Rs.)
(i)	Statutory Audit	5,00,000
(ii)	Limited Review Report	1,50,000
(iii)	Other Certification	55,000
	<b>Total</b>	<b>7,05,000</b>

**Particulars of Loans and Advances to the related entities**

There are no loans and advances in the nature of loans was given to the firms/companies in which directors are interested.

**Discretionary requirements**

The discretionary requirements as specified in Part E of Schedule II have been adopted to an extent possible by the Company.

**Certificate from Practising Company Secretary confirming Director are not debarred / Disqualified**

A certificate from a Company Secretary in Practice has been obtained confirming that none of the Directors on the board of the company has been debarred or disqualified from

Place : Chennai  
Date : May 16, 2024

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

**Nina B.Kothari**  
Chairperson

**DECLARATION BY MANAGING DIRECTOR ON CODE OF CONDUCT UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2024.

for **Kothari Petrochemicals Limited**

Place : Chennai  
Date : May 16, 2024

**Arjun B.Kothari**  
Managing Director

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

We, Arjun B. Kothari, Managing Director and S.Sivamahesh, Chief Financial Officer 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, 2024 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, if any, in internal control over financial reporting during the year.
  - (ii) significant changes, if any, 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 16, 2024

**Arjun B. Kothari**  
Managing Director

**S.Sivamahesh**  
Chief Financial Officer

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE  
(Pursuant to Regulation 34 (3) and Clause E of Schedule V of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To the **Members of Kothari Petrochemicals Limited**

I have examined the compliance of conditions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Corporate Governance by Kothari Petrochemicals Limited, for the year ended March 31, 2024.

The compliance of conditions of Corporate Governance is the responsibility of the management. My 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 my opinion and to the best of my information and according to the explanation given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I 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.

We have also relied on scanned / soft copies of various documents / records which were provided by the Company.

for **M/s. V.Vasumathy & Associates**

**Vasumathy Vasudevan**  
**Practising Company Secretary**

FCS No. 5424 / COP No. 9451

UDIN : F005424F000281689

Peer Review Certificate No.: 680/2020

**Place :** Chennai  
**Date :** April 30, 2024

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

To the **Members of Kothari Petrochemicals Limited**

I have examined the relevant registers, records, forms, returns, declarations and disclosures received from the Directors of **Kothari Petrochemicals Limited**, having CIN: L11101TN1989PLC017347 and having registered office at Kothari Building, No. 115, Nungambakkam High Road, Chennai - 600 034. (Hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V - Para C 10 (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in of Ministry of Corporate Affairs) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below, for the Financial Year ended March 31, 2024, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of the Director	Director Identification Number (DIN)	Date of Appointment in the Company
1.	Ms. Nina Bhadrashyam Kothari	00020119	27.05.2014
2.	Mr. Arjun Bhadrashyam Kothari	07117816	08.04.2015 (Re-appointment 01.04.2020)
3.	Mr. Muthukumaran Rajavel	08145611	01.08.2018 (Re-appointment 01.08.2021)
4.	Mr. Sitharaman Sundarraman	01032768	22.11.2017 (Re-appointed w.e.f 22.11.2022)
5.	Mr. Velamuri Venkata Suryarau	00010274	20.05.2019
6.	Mr. Gautam Roy	06659522	10.08.2020
7.	Mr. Brij Mohan Bansal	00261063	10.08.2020

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

We have also relied on scanned / soft copies of various documents / records which were provided by the Company.

for **M/s. V.Vasumathy & Associates**

**Vasumathy Vasudevan**  
**Practising Company Secretary**

FCS No. 5424 / COP No. 9451

UDIN : F005424F000281691

Peer Review Certificate No.: 680/2020

**Place** : Chennai

**Date** : April 30, 2024

**INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

**To the Members of Kothari Petrochemicals Limited**

**REPORT ON THE AUDIT OF THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENT**

**Opinion**

- We have audited the accompanying Ind AS financial statements of Kothari Petrochemicals Limited ("the Company"), which comprise the balance sheet as at March 31, 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit after tax and other comprehensive income), changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act 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.

**Key Audit Matters**

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key Audit Matter	Principal Audit Procedures
1	<p><b>Investments</b> As on 31<sup>st</sup> March 2024, the Company has significant amount of investment in various financial instruments. The amount of investments has been considered a key audit matter given the relative size of the balance in the financial statements.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>➤ We have tested the design and operating effectiveness of controls with regard to acquisition as well as redemption of investments.</li> <li>➤ We have reviewed the board minutes as well as the investment policy to ensure that the investments made are in compliance with them.</li> <li>➤ We have verified the fund statements received from the respective fund houses, Demat Holding Statements and internal MIS of the management to evaluate the correctness of the investments reported in the balance sheet.</li> </ul>
2	<p><b>Quantity of raw materials</b> Significant portion of the material procurement is through pipelines and tankers which are accounted on weight basis. The procurement methodology also involves raw materials extraction from input feed and return of residues &amp; effluents through the pipelines to the vendor. Hence, any variance in the ascertainment of the quantity purchased may have a significant impact on the cost of materials.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>➤ Assessment of internal controls over ascertaining the quantity of purchase for which payment is made.</li> <li>➤ Assessment of controls over calibration system of the weighing and measuring equipment.</li> <li>➤ Assessment of controls over periodical stock - taking and the related procedures.</li> </ul>

**Other Information**

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report together with the annexure thereto and Report on Corporate Governance but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other

information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of management and those charged with governance for the Ind AS Financial Statements**

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. 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.

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

#### **Report on Other Legal and Regulatory Requirements**

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

15. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received

from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to financials statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) There are no pending litigations against the company. Consequently, disclosure of the same does not arise.
  - (ii) The Company did not have any long-term contracts including derivative contracts on which there were material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or

otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has paid final dividend for the financial year 2022-23 and interim dividend during the year ending 31<sup>st</sup> March 2024 in compliance with the provisions of section 123 of the Act.

(vi) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit-log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. The audit trail has been preserved by the company as per the statutory requirements for record retention.

**Place** : Chennai  
**Date** : 16<sup>th</sup> May 2024

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

**S. Raghavendhar**  
Partner  
M. No.: 244016  
UDIN: 24244016BKELMD9547

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT.

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Kothari Petrochemicals Limited on the Ind AS financial statements as of and for the year ended March 31, 2024.

**Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to financial statements of **Kothari Petrochemicals Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

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

### Meaning of Internal Financial Controls with reference to Financial Statements

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

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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



**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**S. Raghavendhar**  
Partner

**Place :** Chennai  
**Date :** 16<sup>th</sup> May 2024

M. No.: 244016  
UDIN: 24244016BKELMD9547

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT.**

**Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Kothari Petrochemicals Limited on the Ind AS financial statements as of and for the year ended March 31, 2024.**

**To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:**

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
- a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment, investment property and relevant details of right-of-use assets.
  - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - b. As explained to us, the property, plant and equipment, investment property and right-of-use assets are physically verified by the Management at reasonable intervals; no material discrepancies were noticed on such verification.
  - c. According to the information and explanations given to us and based on the examination of the documents provided to us, we report that the title deeds of all the immovable properties of land and buildings as disclosed in the Ind AS financial statements are held in the name of the Company as at the Balance Sheet date.
  - d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a. The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the coverage and procedure of such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- b. The Company has been sanctioned working capital limits in excess of Rupees five crores in aggregate from banks / or financial institutions during the year on the basis of security of the current assets of the Company. The quarterly returns / statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) a. During the year the Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity. Hence reporting under clause (iii) (a) of the Order is not applicable.
- b. The investments made during the year are not prejudicial to Company's interest. Further the Company has not provided guarantees, security or granted loans or advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other parties, consequently requirement to report on these under clause (iii)(b) of the Order is not applicable.
- c. The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (c) of the Order is not applicable to the Company.
- d. The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (d) of the Order is not applicable to the Company.
- e. There were no loans or advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3 (iii) (e) of the Order is not applicable to the Company.

- f. The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying the terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (f) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments made by it. The Company has not provided any loans or guarantee or security as covered under Section 185 or 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and based on our audit procedures, we report that:
- (a) the Company is regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess, Goods and Service Tax to the appropriate authorities. There were no undisputed amounts payable which were in arrears as at March 31, 2024 for a period of more than six months from the date they become payable.
- (b) the Company has no disputed dues of Income Tax, Goods and Service Tax, Sales Tax, Excise Duty, Customs Duty and Value Added Tax which have not been deposited as on 31<sup>st</sup> March 2024.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3 (viii) of the Order is not applicable to the Company.
- (ix) (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any lender.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company had not obtained any term loan during the year 2023-24. Consequently, reporting under clause (ix)(c) is not applicable.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report under clause (ix) (e) of the Order is not applicable.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report under clause (ix) (f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause (x) (a) of the Order is not applicable.
- (b) On an overall examination of the financial statements, we report that the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, reporting under clause (x) (b) of the Order is not applicable.
- (xi) (a) 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 neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) There were no whistle blower complaints received by the Company during the year.

- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting requirements of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures prescribed under Section 133 of the Act.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.  
(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with the director or persons connected with them as referred to in Section 192 of the Companies Act, 2013.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.  
(b) The Company has not conducted any non-banking or housing finance activities.  
(c) The Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3 (xvi) (c) of the Order is not applicable.  
(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3 (xvi) (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of ratios disclosed in the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the meetings of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The Company has spent the minimum amount required to be spent on Corporate Social Responsibility (CSR), as stipulated in section 135 of the Companies Act. Therefore, no unspent amount is required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 within a period of six months of the expiry of the financial year, in compliance with second proviso to sub-section 5 of section 135 of the Act. Accordingly, clause 3(xx)(a) of the Order is not applicable.  
(b) The Company does not have any unspent amount towards CSR on ongoing projects requiring a transfer to a distinct account in compliance with provisions of sub-section (6) of section 135 of the said Act.

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

**S. Raghavendhar**  
Partner

**Place :** Chennai  
**Date :** 16<sup>th</sup> May 2024

M. No.: 244016  
UDIN: 24244016BKELMD9547

**BALANCE SHEET AS AT MARCH 31, 2024**

(₹ in Lakhs)

Particulars		Note No.	As at 31.03.2024	As at 31.03.2023
<b>I</b>	<b>ASSETS</b>			
	<b>Non-Current Assets</b>			
	Property, Plant and Equipment	2(a)	11,392.41	10,490.44
	Capital work-in-progress	2(b)	137.37	295.46
	Investment Property	3	1,537.43	1,560.90
	Other Intangible assets other than goodwill	4(a)	83.89	62.07
	Right-of-use assets	4(b)	-	27.28
	<b>Financial assets</b>			
	(i) Other financial assets	5	573.77	332.30
	(ii) Investments	7	939.55	-
	Other non-current assets	12	140.37	162.29
			<b>14,804.79</b>	<b>12,930.74</b>
	<b>Current Assets</b>			
	Inventories	6	3,095.85	3,345.59
	<b>Financial assets</b>			
	(i) Investments	7	6,412.10	4,123.77
	(ii) Trade receivables	8	5,866.84	4,695.67
	(iii) Cash and cash equivalents	9(a)	585.55	1,176.61
	(iv) Bank balance other than (iii) above	9(b)	585.24	280.05
	(v) Loans	10	82.10	5.13
(vi) Other financial assets	5	31.33	17.71	
Current tax assets (net)	11(a)	18.58	14.23	
Other current assets	12	414.12	444.60	
		<b>17,091.71</b>	<b>14,103.36</b>	
	<b>Total Assets</b>		<b>31,896.50</b>	<b>27,034.10</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	Equity share capital	13(a)	5,918.68	5,918.68
	Other equity	13(b)	18,735.73	13,288.32
		<b>Total Equity</b>	<b>24,654.41</b>	<b>19,207.00</b>
	<b>Liabilities</b>			
	<b>Non-Current Liabilities</b>			
	Financial liabilities			
	Borrowings	14	-	1,547.81
	Provisions	19	15.84	-
	Deferred tax liabilities(Net)	15	1,774.94	1,335.47
			<b>1,790.78</b>	<b>2,883.28</b>
	<b>Current Liabilities</b>			
	Financial liabilities			
	Borrowings	14	-	693.80
Lease Liability	4(b)	-	41.90	
Trade payables	16			
dues of micro enterprises and small enterprises		482.93	365.77	
dues of creditors other than micro enterprises and small enterprises		3,827.87	3,085.22	
Other financial liabilities	17	708.85	438.34	
Other current liabilities	18	172.71	149.38	
Provisions	19	258.95	169.41	
	<b>Total Current Liabilities</b>	<b>5,451.31</b>	<b>4,943.82</b>	
	<b>Total Equity and Liabilities</b>	<b>31,896.50</b>	<b>27,034.10</b>	
Notes 1 to 42 form an integral part of these Financial Statements				

As per our report of even date attached

**For P. Chandrasekar LLP**  
**Chartered Accountants**  
**FRN : 000580S/S200066**
**S. Raghavendhar**  
 Partner  
 Membership No.244016

**Place :** Chennai  
**Date :** May 16, 2024

 For and on behalf of the Board of Directors of  
**Kothari Petrochemicals Limited**  
**CIN : L11101TN1989PLC017347**
**Arjun B. Kothari**  
 Managing Director  
 DIN: 07117816

**S. Sundarraman**  
 Director  
 DIN : 01032768

**K. Priya**  
 Company Secretary

**S. Sivamahesh**  
 Chief Financial Officer

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

(₹ in Lakhs)

	Particulars	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
I	Revenue from Operations	20	60,313.72	48,214.70
II	Other Income	21	822.66	643.32
<b>III</b>	<b>Total Income (I+II)</b>		<b>61,136.38</b>	<b>48,858.02</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	22	37,613.22	31,782.81
	Purchases of stock in trade		-	66.64
	Changes in inventories of finished goods	23	671.81	(94.93)
	Employee benefit expenses	24	2,752.86	2,034.65
	Finance cost	25	118.99	256.01
	Depreciation & amortisation expense	26	762.40	660.46
	Utilities and Stores	27a	4,180.87	3,578.08
	Other expenses	27b	5,486.96	5,154.93
	<b>Total Expenses</b>		<b>51,587.11</b>	<b>43,438.65</b>
V	Profit before exceptional items and tax (III-IV)		9,549.27	5,419.37
VI	Exceptional items (Gain/(Loss) on scrapping of old assets)	41	40.86	(101.55)
<b>VII</b>	<b>Profit Before Tax</b>		<b>9,508.41</b>	<b>5,520.92</b>
VIII	Tax Expense	28		
	a) Current tax		2,664.58	1,253.05
	b) Deferred tax		465.42	350.18
	<b>Total Tax Expenses</b>		<b>3,130.00</b>	<b>1,603.23</b>
<b>IX</b>	<b>Profit for the period from continuing operations (VII-VIII)</b>		<b>6,378.41</b>	<b>3,917.69</b>
X	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	(i) Re-measurement gains/(losses) on defined benefit plans		(74.25)	1.35
	(ii) Income tax effect on above		25.95	(0.39)
	<b>Total Other Comprehensive Income</b>		<b>(48.30)</b>	<b>0.96</b>
<b>XI</b>	<b>Total Comprehensive Income for the year (IX+X)</b>		<b>6,330.11</b>	<b>3,918.65</b>
	Earnings per equity share	29		
	Basic (₹)		10.84	6.66
	Diluted (₹)		10.84	6.66
	Notes 1 to 42 form an integral part of these Financial Statements			

As per our report of even date attached

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

**S. Raghavendhar**  
Partner  
Membership No.244016

**Place :** Chennai  
**Date :** May 16, 2024

For and on behalf of the Board of Directors of

**Kothari Petrochemicals Limited**  
CIN : L11101TN1989PLC017347

**Arjun B. Kothari**  
Managing Director  
DIN: 07117816

**K. Priya**  
Company Secretary

**S. Sundarraman**  
Director  
DIN : 01032768

**S. Sivamahesh**  
Chief Financial Officer

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

(₹ in Lakhs)

A. Equity Share Capital		Changes in Equity Share Capital due to prior period errors		Restated balance at 1 <sup>st</sup> April 2023		Changes in equity share capital during the year		Balance as at 31 <sup>st</sup> March 2024	
Balance as at 1 <sup>st</sup> April 2023		Changes in Equity Share Capital due to prior period errors		Restated balance at 1 <sup>st</sup> April 2022		Changes in equity share capital during the year		Balance as at 31 <sup>st</sup> March 2023	
5,918.68		-		-		-		5,918.68	
Balance as at 1 <sup>st</sup> April 2022		Changes in Equity Share Capital due to prior period errors		Restated balance at 1 <sup>st</sup> April 2022		Changes in equity share capital during the year		Balance as at 31 <sup>st</sup> March 2023	
5,918.68		-		-		-		5,918.68	
<b>B. Other Equity</b>									
<b>Particulars</b>									
				<b>Capital reserves</b>		<b>Retained earnings</b>		<b>Total</b>	
Balance as at 1 <sup>st</sup> April 2023				0.40		13,287.92		13,288.32	
Changes in accounting policy or prior period errors				-		-		-	
Restated balance as at 1 <sup>st</sup> April 2023				-		-		-	
Total Comprehensive Income/(Losses) for the year*				-		6,330.11		6,330.11	
Dividends Paid				-		(882.70)		(882.70)	
Transfer to Retained earnings				-		-		-	
<b>Balance as at 31<sup>st</sup> March 2024</b>				<b>0.40</b>		<b>18,735.33</b>		<b>18,735.73</b>	
Balance as at 1 <sup>st</sup> April 2022				0.40		9,663.50		9,663.90	
Changes in accounting policy or prior period errors				-		-		-	
Restated balance as at 1 <sup>st</sup> April 2022				-		-		-	
Total Comprehensive Income/(Losses) for the year*				-		3,918.65		3,918.65	
Dividends Paid				-		(294.23)		(294.23)	
Transfer to Retained earnings				-		-		-	
Balance as at 31 <sup>st</sup> March 2023				0.40		13,287.92		13,288.32	

\* - Re-measurement of defined benefit plan for the year Loss ₹ 74.25 lakhs (previous year Gain of ₹ 1.35 lakhs) has been recognized as part of retained earnings for the year ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023 respectively.

Notes 1 to 42 form an integral part of these Financial Statements

As per our report of even date attached

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

**S. Raghavendhar**  
 Partner  
 Membership No.244016

**Place : Chennai**  
**Date : May 16, 2024**

**Arjun B. Kothari**  
 Managing Director  
 DIN: 07117816

**K. Priya**  
 Company Secretary

For and on behalf of the Board of Directors of  
**Kothari Petrochemicals Limited**  
**CIN : L11101TN1989PLC017347**

**S. Sundarraman**  
 Director  
 DIN : 01032768

**S. Sivamahesh**  
 Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2024**

(₹ in Lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	9,508.41	5,520.92
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	762.40	660.46
Operating lease rentals from Investment Property	(226.08)	(215.34)
Interest income	(112.21)	(88.18)
Gain on Investments (net)	(314.97)	(131.67)
Exceptional Items	40.86	-
(Gain)/loss on sale of Property, Plant and Equipment	(17.99)	(101.55)
Unrealised foreign exchange differences(Gain)/loss (net)	14.34	(37.04)
Finance cost / Financial guarantee expenses	116.20	246.36
Interest expense on Lease liability	2.78	65.31
<b>Operating profit before working capital changes</b>	<b>9,773.74</b>	<b>5,919.27</b>
<b>Adjustments for changes in working capital:</b>		
<b>(Increase)/decrease in operating assets-</b>		
Inventories	249.74	(761.80)
Trade receivable	(1,185.52)	(1,760.45)
Financial assets-loans	(76.97)	4.67
Financial assets-others	(235.86)	(35.74)
Other Assets	30.49	273.48
<b>Increase/(decrease) in operating liabilities-</b>		
Trade payables	851.10	166.38
Financial liabilities-others	359.94	40.19
Other liabilities	54.46	49.63
	9,821.12	3,895.63
Less:Taxes paid	2,668.92	1,274.06
<b>Net cash from / (used in) operating activities</b>	<b>7,152.20</b>	<b>2,621.57</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of assets (including capital work-in-progress)	(1,556.35)	(2,046.20)
Net Movement in Capital - Creditors and Advances	(41.21)	(301.25)
Redemption / (Purchase) of investments (Net)	(2,912.91)	(657.16)
Proceeds on sale of Property, Plant and Equipment	56.14	95.48
Term deposit/Margin money with bank account	(305.19)	(9.55)
Operating lease rentals from Investment Property	226.08	215.34
Interest received	93.00	84.65
<b>Net cash from / (used in) investing activities</b>	<b>(4,440.44)</b>	<b>(2,618.69)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	-	1,415.69
Repayment of long term borrowings	(2,241.61)	(272.76)
Payment of Lease Liability	(36.00)	(73.41)
Dividend paid	(882.70)	(294.23)
Finance cost / Financial guarantee expenses	(134.50)	(231.49)
Earmarked balances with bank-Dividend warrant account	(8.01)	(56.95)
<b>Net cash from / (used in) financing activities</b>	<b>(3,302.82)</b>	<b>486.85</b>
<b>D. NET CASH FLOWS DURING THE YEAR(A+B+C)</b>	<b>(591.06)</b>	<b>489.73</b>
<b>E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>1,176.61</b>	<b>686.88</b>
Cash & Bank balances [Note 9(a)]	1,176.61	686.88
Cash Credit balance	-	-
<b>F. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR(D+E)</b>	<b>585.55</b>	<b>1,176.61</b>
Cash & Bank balances	585.55	1,176.61
Cash Credit balance	-	-

Notes 1 to 42 form an integral part of these financial statements

The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7).

As per our report of even date attached

For and on behalf of the Board of Directors of

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

**Kothari Petrochemicals Limited**  
CIN : L11101TN1989PLC017347

**S. Raghavendhar**  
Partner  
Membership No.244016

**Arjun B. Kothari**  
Managing Director  
DIN: 07117816

**S. Sundarraman**  
Director  
DIN : 01032768

**Place :** Chennai  
**Date :** May 16, 2024

**K. Priya**  
Company Secretary

**S. Sivamahesh**  
Chief Financial Officer

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note 1**

**CORPORATE OVERVIEW**

Kothari Petrochemicals Limited (referred to as “KPL” or the “Company”) is the Manufacturer of Poly Iso Butylene. The registered office of the Company is situated at “Kothari Buildings”, No:115, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034.

**AUTHORIZATION OF FINANCIAL STATEMENTS**

The Financial Statements for the year ended 31<sup>st</sup> March 2024 have been approved for issue by the Board of Directors of the Company on 16<sup>th</sup> May 2024 and are subject to adoption by the shareholders in the ensuing Annual General Meeting.

**MATERIAL ACCOUNTING POLICIES**

**1. Statement of Compliance :**

The financial statements have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015.

**2. Basis of preparation and presentation :**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, leasing transactions that are with in the scope of Ind AS 116, and measurements that have some similarities to fairvalue but are not fairvalue, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are Categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fairvalue measurements are observable and the significance of the inputs to the fairvalue measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

**3. Revenue Recognition :**

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The Company considers indicators for assessing the transfer of control, including :

- (a) the entity has a present right to payment for the asset.
- (b) the customer has legal title to the asset.
- (c) the entity has transferred physical possession of the asset.
- (d) the customer has the significant risks and re-wards of ownership of the asset.
- (e) the customer has accepted the asset.

**Dividend, interest and other income**

- Dividend income from investments is recognized when the right to receive payment has been established.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable in line with the effective interest rate method.
- Operating Lease rental income is accounted on straight line basis over the term of the relevant lease.
- Insurance claims are accounted on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.
- Export benefits are accounted in the year of exports based on eligibility and when there is no uncertainty in receiving the same.



## NOTES FORMING PART OF FINANCIAL STATEMENTS

**4. Leases :**

Where the company has lessee, Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee or the lease meets other criteria as laid down Ind AS 116. All other leases are classified as operating leases.

In the case of operating leases, Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. Lease term exceeding 12 months are considered under Ind AS 116. Lease rentals having lease term within 12 months are charged or recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

**5. Borrowing costs:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time the assets are ready for their intended use or sale.

Interest income earned on the temporary investments of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred. Borrowing costs are not included in the value of inventories.

**6. Employee Benefits :****(a) Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee benefits expense'.

Past service cost is recognized in Statement of Profit and Loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in Other Comprehensive Income is reflected immediately in Retained Earnings and is not reclassified to Statement of Profit and Loss.

**(b) Short-term and other long-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**7. Earnings per Share :**

The Company presents basic and diluted earnings per share (EPS) data for its equity shares.

Basic EPS is calculated by dividing the Profit or Loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting the Profit or Loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

**8. Taxation :**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Minimum Alternative Tax ("MAT") credit is recognized as an asset only when and to the extent there is reasonable certainty that the Company will pay normal income tax during the specified period.

**(a) Current tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income tax Act, 1961 and other applicable tax laws.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**(b) Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**(c) Current and deferred tax for the year**

Current and deferred tax are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

**9. Property, Plant and Equipment :**

All Property, Plant and Equipment are measured at cost, less accumulated depreciation and impairment losses, if any.

The cost of asset includes the purchase cost including import duties and non-refundable taxes, and any costs that are directly attributable of bringing an asset to the location and condition of its intended use.

The carrying amount of the replaced parts are derecognized. All other repairs and maintenance costs are recognized in Statement of Profit and Loss as incurred.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its carrying value only when economic benefits are expected to accrue for a period beyond one year.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Estimated useful lives of the assets are as follows:

Particulars of Asset	Estimated useful lives
Freehold Land	Infinite
Building	3-60 years
Plant & Equipment	5-40 years
Furniture & Fixtures	10 years
Office Equipment & Computers	3-5 years
Vehicles	8 years

Assets costing ₹5,000 and below are depreciated in the year of acquisition.

Assets on leased premises are depreciated on the remaining period of lease or as per the useful life prescribed in Schedule II of the Companies Act, 2013, whichever is earlier.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value not more than 5% of Cost.

For certain items of plant and machinery, the useful life adopted is based on internal technical evaluation and best represents the period over which the Company expects to use these assets.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Gains / Losses arising on the disposal or retirement of an item of Property, Plant and Equipment are determined as the difference between the sales proceeds or net realizable value and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value-in-use. Value-in-use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

**10. Investment Property :**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation over useful life of 60 years and impairment losses, if any. Though, the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in Notes. Fair values are determined based on an annual evaluation performed by a Chartered Engineer.

**11. Intangible Assets :**

Intangible assets with finite useful lives that are acquired separately are carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Software and licenses are amortized over useful life of not exceeding 5 years.

**12. Inventories :**

Inventories are stated at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories, less all estimated costs of completion and costs necessary to make the sale.

Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. The cost of inventories is computed on weighted average basis.

Inventories are written down on a case-by-case basis if the anticipated net realizable value declines below the carrying amount of the inventories in the Statement of Profit and Loss.

**13. Provisions, contingent liabilities and contingent assets :**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits) are not discounted to their present value except in the cases where time value of money is not material and are determined based on the best estimate required to settle the obligation at the balance sheet date and are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities in relation to claims against the Company, includes legal, contractual and claims arising from custom. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events. Contingent liabilities are disclosed in the notes.

Contingent assets are not recognized in the financial statements.

**14. Financial instruments :**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of Profit and Loss.

**15. Financial assets:**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognized financial assets are subsequently measured in their entirety at amortized cost or fair value, depending on the classification of the financial assets.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**(a) Classification of financial assets**

Debt instruments (including Trade receivables, Loans and Other Financial Assets) that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

**(b) Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income or Expense is recognized on an effective interest basis for debt instruments other than those financial liabilities classified as at FVTPL. Interest income or expense is recognized in Statement of Profit and Loss.

**(c) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized from initial recognition of the receivables.

**(d) Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

**(e) Derivative financial instruments**

The Company uses forward contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

**16. Financial liabilities :**

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations.

They are subsequently measured at amortised cost using effective interest method. Any discount or premium on settlement is recognized in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

**De recognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

**17. Cash flow statement**

Cash flows are reported using the indirect method, where by profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The company considers all liquid investments, which are readily convertible into known amounts of cash, that are subject to an insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal or usage except fixed deposit with original maturity more than 3 months.

**18. Functional and presentation currency and Foreign Currency Transactions**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entity operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognized in Statement of Profit and Loss in the period in which they arise.

**19. Key estimates and assumptions**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumption concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

- (i) Useful life of property, plant, equipment and Investment property & Intangibles Periods.
- (ii) Provision for income taxes and deferred taxes.
- (iii) Provisions for Defined benefit plan.

**Fair value measurement and valuation processes:**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fairvalue of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third-party qualified valuers to perform the valuation.

**20. Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 2 a): Property, Plant and Equipment**

(₹ in Lakhs)

Gross block	Land Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total
As at 1 <sup>st</sup> April 2023	278.47	2,253.77	9,836.16	137.36	231.82	224.56	235.31	13,197.46
Additions	-	260.66	1,012.04	60.76	11.13	8.88	314.63	1,668.10
Disposal	-	-	148.79	3.11	23.22	17.66	131.44	324.22
As at 31 <sup>st</sup> March 2024	278.47	2,514.43	10,699.41	195.01	219.73	215.78	418.50	14,541.34
<b>Accumulated depreciation/amortisation</b>								
As at 1 <sup>st</sup> April 2023	-	813.17	1,486.96	51.14	157.31	118.22	80.24	2,707.04
For the year	-	58.05	507.24	12.33	27.08	34.69	47.70	687.09
Impairment for the year	-	-	-	-	-	-	-	-
Deduction on disposal	-	-	102.78	2.96	22.40	17.66	99.40	245.20
As at 31 <sup>st</sup> March 2024	-	871.22	1,891.42	60.51	161.99	135.25	28.54	3,148.93
<b>Net block</b>								
As at 31 <sup>st</sup> March 2023	278.47	1,440.60	8,349.21	86.21	74.52	106.34	155.09	10,490.44
As at 31 <sup>st</sup> March 2024	278.47	1,643.21	8,807.99	134.50	57.74	80.53	389.96	11,392.41

(₹ in Lakhs)

Gross block	Land Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total
As at 1 <sup>st</sup> April 2022	278.47	2,174.61	6,692.65	86.05	194.23	110.02	199.23	9,735.27
Additions	-	79.16	3,260.56	51.30	37.60	114.54	36.08	3,579.24
Disposal	-	-	117.05	-	-	-	-	117.05
As at 31 <sup>st</sup> March 2023	278.47	2,253.77	9,836.16	137.36	231.82	224.56	235.31	13,197.46
<b>Accumulated depreciation/amortisation</b>								
As at 1 <sup>st</sup> April 2022	-	703.44	1,176.79	39.29	128.25	94.46	70.17	2,212.40
For the year	-	109.73	361.64	11.85	29.06	23.76	10.06	546.10
Impairment for the year	-	-	-	-	-	-	-	-
Deduction on disposal	-	-	51.48	-	-	-	-	51.48
As at 31 <sup>st</sup> March 2023	-	813.17	1,486.95	51.13	157.31	118.22	80.24	2,707.02
<b>Net block</b>								
As at 31 <sup>st</sup> March 2022	278.47	1,471.17	5,515.86	46.77	65.98	15.56	129.06	7,522.87
As at 31 <sup>st</sup> March 2023	278.47	1,440.60	8,349.21	86.21	74.52	106.34	155.09	10,490.44

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note 2 b): Capital work-in-progress**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Capital work-in-progress	137.37	295.46
	<b>137.37</b>	<b>295.46</b>
As at beginning	295.46	1,828.51
Additions	1,556.36	2,046.20
Capitalised during the year	(1,714.45)	(3,579.24)
As at the closing	<b>137.37</b>	<b>295.46</b>

**CWIP ageing schedule as on 31<sup>st</sup> March 2024**

(₹ in Lakhs)

CWIP	Amount in CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	137.37	-	-	-	137.37

**CWIP ageing schedule as on 31<sup>st</sup> March 2023**

(₹ in Lakhs)

CWIP	Amount in CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	295.46	-	-	-	295.46

**Note 3: Investment Property (IP)**

(₹ in Lakhs)

Particulars	Land	Building	Total
Gross block			
<b>As at 1<sup>st</sup> April 2023</b>	<b>321.98</b>	<b>1,435.13</b>	<b>1,757.11</b>
Additions	-	-	-
Disposals	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>321.98</b>	<b>1,435.13</b>	<b>1,757.11</b>
Accumulated depreciation			
<b>As at 1<sup>st</sup> April 2023</b>	-	<b>196.20</b>	<b>196.20</b>
Depreciation for the period	-	23.48	23.48
Reversal on disposal of assets	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	-	<b>219.68</b>	<b>219.68</b>
Net block			
<b>As at 31<sup>st</sup> March 2023</b>	<b>321.98</b>	<b>1,238.93</b>	<b>1,560.90</b>
<b>As at 31<sup>st</sup> March 2024</b>	<b>321.98</b>	<b>1,215.45</b>	<b>1,537.43</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(₹ in Lakhs)

Particulars	Land	Building	Total
<b>Gross block</b>			
<b>As at 1<sup>st</sup> April 2022</b>	<b>321.98</b>	<b>1,435.13</b>	<b>1,757.11</b>
Additions	-	-	-
Disposals	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	<b>321.98</b>	<b>1,435.13</b>	<b>1,757.11</b>
<b>Accumulated depreciation</b>			
<b>As at 1<sup>st</sup> April 2022</b>	<b>-</b>	<b>172.79</b>	<b>172.79</b>
Depreciation for the period	-	23.41	23.41
Reversal on disposal of assets	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>196.20</b>	<b>196.20</b>
<b>Net block</b>			
<b>As at 31<sup>st</sup> March 2022</b>	<b>321.98</b>	<b>1,262.34</b>	<b>1,584.32</b>
<b>As at 31<sup>st</sup> March 2023</b>	<b>321.98</b>	<b>1,238.93</b>	<b>1,560.90</b>

**Information regarding income and expenditure of investment property**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Operating lease rentals from Investing Property	212.37	212.37
Direct expenses:		
Contribute to the rental income (including repairs and maintenance)	13.24	13.24
Profit before depreciation and indirect expenses	199.13	199.13
Less: Depreciation	23.48	23.41
Profit before indirect expenses	175.65	175.72

**Fair value of Investment Property**

The fair value of the Company's total investment property as at 31<sup>st</sup> March 2024 is ₹ 2,945.99 lakhs (₹ 2,805.89 lakhs as at 31<sup>st</sup> March 2023). The valuation has been carried out by Mr. Khatib Ahmed, Chartered Engineer. The valuer is not registered under companies (Registered Valuers and valuation) Rules, 2017.

**Note 4(a): Other Intangible Assets other than goodwill**

(₹ in Lakhs)

<b>Software and licences</b>	
Gross block	
As at 1 <sup>st</sup> April 2023	183.09
Additions	46.37
Disposals	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>229.46</b>
Accumulated depreciation	
As at 1 <sup>st</sup> April 2023	121.02
Amortisation for the period	24.55
Reversal on disposal of assets	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>145.57</b>
<b>Net block</b>	
<b>As at 31<sup>st</sup> March 2023</b>	<b>62.07</b>
<b>As at 31<sup>st</sup> March 2024</b>	<b>83.89</b>



## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

<b>Software and licences</b>	
Gross block	
As at 1 <sup>st</sup> April 2022	167.09
Additions	16.00
Disposals	-
<b>As at 31<sup>st</sup> March 2023</b>	<b>183.09</b>
Accumulated depreciation	
As at 1 <sup>st</sup> April 2022	85.73
Amortisation for the period	35.29
Reversal on disposal of assets	-
<b>As at 31<sup>st</sup> March 2023</b>	<b>121.02</b>
<b>Net block</b>	
<b>As at 31<sup>st</sup> March 2022</b>	<b>81.36</b>
<b>As at 31<sup>st</sup> March 2023</b>	<b>62.07</b>

## Note 4(b):

(₹ in Lakhs)

<b>Right-of-use assets :</b>	
As at 1 <sup>st</sup> April 2023	27.28
Additions	-
Disposals	-
Depreciation	27.28
<b>As at 31<sup>st</sup> March 2024</b>	<b>-</b>

(₹ in Lakhs)

<b>Right-of-use assets :</b>	
As at 1 <sup>st</sup> April 2022	82.94
Additions	-
Disposals	-
Depreciation	55.66
<b>As at 31<sup>st</sup> March 2023</b>	<b>27.28</b>

(₹ in Lakhs)

<b>Lease Liability :</b>	
As at 1 <sup>st</sup> April 2023	41.90
Additions	-
Disposals	8.69
Interest Expense accrued	2.78
Payment of Lease liabilities	36.00
<b>As at 31<sup>st</sup> March 2024</b>	<b>-</b>
Non-Current	-
Current	-

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(₹ in Lakhs)

<b>Lease Liability :</b>	
As at 1 <sup>st</sup> April 2022	105.66
Additions	-
Disposals	-
Interest Expense accrued	9.65
Payment of Lease liabilities	73.41
<b>As at 31<sup>st</sup> March 2023</b>	<b>41.90</b>
<b>Non - current</b>	<b>-</b>
<b>Current</b>	<b>41.90</b>

**Note 5: Other Financial Assets**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Non-current	Current	Non-current	Current
Security deposits	573.77	-	332.30	-
Interest receivable	-	31.33	-	7.79
Derivative assets	-	-	-	9.92
<b>Total</b>	<b>573.77</b>	<b>31.33</b>	<b>332.30</b>	<b>17.71</b>

(Unsecured and considered good unless otherwise stated)

**Note 6: Inventories**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
	Raw materials	318.58
Raw material in transit	902.12	462.77
Finished goods	591.57	625.08
Finished goods in transit	968.60	1,606.89
Stores and spares	275.42	298.85
Packing material	39.56	26.42
<b>Total</b>	<b>3,095.85</b>	<b>3,345.59</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**Note 7: Investments**

(₹ in Lakhs)

Particulars	Non Current		Current		Current	
	No. of Units	As at 31 <sup>st</sup> March 2024	No. of Units	As at 31 <sup>st</sup> March 2024	No. of Units	As at 31 <sup>st</sup> March 2023
<b>Investments carried at Fair value through Profit &amp; Loss :-</b>						
<b>Equity Shares (Quoted):</b>						
-India Grid Trust			71263	94.62	53512	72.13
-PowerGrid Infrastructure Investment Trust			85796	81.26	47004	57.59
-India Grid Trust - PMS			50700	67.32	50700	68.33
-PowerGrid Infrastructure Investment Trust - PMS			57500	54.46	57500	70.45
<b>Total</b>				<b>297.66</b>		<b>268.50</b>
<b>Mutual Funds (Un Quoted):</b>						
Bandhan Ultra Short Term Fund - Direct - Growth (Earlier named as IDFC)			-	-	1725693	225.76
ICICI Pru Savings Fund - Direct - Growth			-	-	48869	226.06
Bandhan Bond Fund - Short Term Plan - Direct - Growth (Earlier named as IDFC)			214477	117.80	214477	109.45
Bandhan Corporate Bond Fund - Direct - Growth (Earlier named as IDFC)			656527	117.00	656527	109.00
ICICI Pru Corporate Bond Fund - Direct - Growth			214583	60.40	214583	55.85
ICICI Pru Short Term Fund - Direct - Growth			103754	61.14	103754	56.41
ABSL Banking & PSU Debt fund - Direct - Growth			69224	237.36	69224	220.54
ABSL Short Term Fund - Direct - Growth			522828	241.55	522828	223.60
SBI Corporate Bond Fund - Direct - Growth			409782	58.80	409782	54.61
SBI Short Term Debt Fund - Direct - Growth			192291	58.99	192291	54.81
UTI Short Term Income Fund - Direct - Growth			382182	116.35	382182	107.49
Kotak NIFTY AAA Bond June 2025 HTM Index Fund - Direct - Growth			999950	100.08	-	-
Tata Banking & PSU Debt Fund - Direct - Growth			860440	114.32	860440	106.56
Bandhan Liquid Fund - Direct - Growth (Earlier named as IDFC)			337	9.83	4098	111.42
Sundaram Liquid Fund - Direct - Growth			14849	316.63	-	-
Axis Liquid Fund - Direct - Growth			6005	161.16	-	-
DSP Liquid Fund - Direct - Growth			3828	132.10	-	-
Nippon India Liquid Fund - Direct - Growth			2882	170.27	-	-
ABSL Liquid Fund - Direct - Growth			53115	206.98	-	-
HDFC Liquid Fund - Direct - Growth			4260	202.06	-	-
SBI Liquid Fund - Direct - Growth			2699	101.99	-	-
ICICI Pru PSU Bond Plus SDL 40:60 Index Fund - Sep 2027 - DG			999950	112.24	999950	104.71
ABSL NIFTY SDL Plus PSU Bond Sep 2026 60:40 Index			999950	112.47	999950	104.87
ABSL Corporate Bond Fund - Direct - Growth			232725	240.28	232725	222.50
ABSL CRISIL AAA June 2023 Index Fund - Direct - Gr			35078	113.46	999950	105.31
ABSL Corporate Bond Fund - Regular - Growth			111891	113.85	111891	105.61
ABSL Fixed Maturity Plan - Series US (100 Days) - Direct - Gr			999950	101.73	-	-
Axis Fixed Term Plan - Series 114 - (83 Days)			999950	101.45	999950	100.20
SBI Fixed Maturity Plan (FMP) - Series 92 (91 Days) - D - G			999950	101.18	-	-
ABSL Interval Income Fund - Quarterly Interval Plan - Series 1 - Direct - Growth			321275	100.82	-	-
Tata FMP Series 61 Scheme A (91 Days) - Direct - Growth			999950	100.36	-	-
Bandhan Crisil IBX Gilt April 2026 Index Fund - Direct Plan - G			999950	111.27	999950	103.68
DSP Corporate Bond Fund - Direct - Growth			154078	226.15	1540708	210.43
Nippon India Corporate Bond Fund - Direct - Growth			509477	287.34	509477	265.50
Nippon India Short Term Fund - Direct - Growth			334688	172.04	334688	159.26
Nippon India NIFTY G-Sec Sep 2027 Maturity Index Fund			999950	101.91	999950	101.91
SBI Arbitrage Opportunities Fund - Direct - Growth			319470	104.57	-	-
ICICI Prudential Equity Arbitrage Fund - Direct - Growth			312358	104.59	-	-
Kotak Equity Arbitrage Fund - Growth - Direct			840784	305.93	-	-
Axis Arbitrage Fund - Direct - Growth			1106678	204.51	-	-
Avestha Muticap Compounders			142508	148.89	-	-
HDFC Overnight Fund - PMS			599	21.31	-	-
ICICI Prudential Floating Interest Fund - Direct - Gr - PMS			3009	12.54	-	-
Edelweiss Nifty PSU Bond Plus SDL Apr 2027 50:50 Index Fund-Direct Plan-PMS			955053	107.56	955053	100.30
Edelweiss Bharat Bond FOF - April 2030 - Direct Plan - PMS			801750	108.47	801750	100.31
<b>Total</b>			-	<b>5,807.33</b>	-	<b>3,446.15</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(₹ in Lakhs)

Particulars	Non Current		Current		Current	
	No. of Units	As at 31 <sup>st</sup> March 2024	No. of Units	As at 31 <sup>st</sup> March 2024	No. of Units	As at 31 <sup>st</sup> March 2023
<b>Investment in Debt Securities (at amortized cost) (Un Quoted) :</b>						
8.80% Piramal Capital & Housing Finance Ltd			90	95.76	9900	104.68
10.25% Shriram Transport Finance Co.Ltd			10	100.24	10	101.45
9.233% Shriram Finance Ltd			10	10.30	-	-
7.99% HDB Financial Services Ltd			50	50.58	-	-
8.30% Tata Capital Financial Services Ltd			50	50.24	-	-
<b>Total</b>			-	<b>307.11</b>	-	<b>206.13</b>
7.75% PFC GOI Bonds	10	102.26			10	102.45
8.30% Tata Capital Financial Services Ltd 2026	100	100.17			100	100.55
7.905% Tata Capital Financial Services Ltd	100	101.64			-	-
8.05%HDB Financial Services Ltd @ 8.03%	10	102.04			-	-
9% Mahindra & Mahindra Fin.Services Ltd @ 8.34%	10000	105.39			-	-
7.9050% Tata Capital Financial Services Ltd @ 8.10%	100	101.85			-	-
6.30% HDB Financial Services Ltd @ 8.10%	10	97.81			-	-
8.25% HDFC Credila Financial Services Ltd @ 8.31%	50	49.85			-	-
MLD ICICI Home Finance Ltd @ 8.40%	4	43.57			-	-
8.1293% HDB Financial Services Ltd @ 8.07%	100	102.44			-	-
MLD Tata Cleantech Capital Ltd @ 8.35%	3	32.52			-	-
<b>Total</b>		<b>939.55</b>		<b>6,412.10</b>		<b>4,123.77</b>
<b>Aggregate market value of Quoted Investments</b>				<b>297.66</b>		<b>268.50</b>
<b>Aggregate Amount of Un Quoted Investment</b>		<b>939.55</b>		<b>6,114.44</b>		<b>3,855.27</b>

**Note :** On 31<sup>st</sup> March 2024, the company has reclassified the following financial instrument from FVTPL to Amortized cost due to a change in the objective of holding these instruments. The Company intends hold these instruments till maturity.

Name of Instrument	Effective Interest Rate (Yield Rate)
7.75% PFC GOI Bonds	7.30%
8.30% Tata Capital Finance	8.19%

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 8: Trade Receivables**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>(a) Trade Receivable - Current</b>	5,866.84	4,695.67
	<b>5,866.84</b>	<b>4,695.67</b>
(Unsecured and considered good unless otherwise stated)		
<b>(b) Significant Increase in credit risk</b>	-	-
<b>(c) Credit Impaired</b>	-	-
Less: Provision	-	-

Trade Receivable Ageing is as follows:

**Ageing for Trade Receivables as at 31<sup>st</sup> March 2024**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	5,339.81	526.59	-	-	0.44	-	5,866.84
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>5,339.81</b>	<b>526.59</b>	<b>-</b>	<b>-</b>	<b>0.44</b>	<b>-</b>	<b>5,866.84</b>

**Ageing for Trade Receivables as at 31<sup>st</sup> March 2023**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	4,683.70	11.49	-	0.48	-	-	4,695.67
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>4,683.70</b>	<b>11.49</b>	<b>-</b>	<b>0.48</b>	<b>-</b>	<b>-</b>	<b>4,695.67</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note 9(a): Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Balances with banks in current account	283.78	1,176.12
Deposits with banks less than 3 months Maturity	300.00	-
Cash on hand	1.76	0.49
<b>Total</b>	<b>585.55</b>	<b>1,176.61</b>

## Note 9(b): Other bank balances

(₹ in Lakhs)

Particulars	As at	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Earmarked balances with Bank - Dividend warrant account	22.91	30.91
Margin money with bank	262.33	249.14
Deposits with Bank more than 3 months but less than 12 months maturity	300.00	-
<b>Total</b>	<b>585.24</b>	<b>280.05</b>

## Note 10: Loans

(₹ in Lakhs)

Particulars	As at	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Loans to employees	Current	Current
	82.10	5.13
<b>Total</b>	<b>82.10</b>	<b>5.13</b>

(Unsecured and considered good unless otherwise stated)

## Note 11(a) : Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Advance payment of tax and tax deducted at source (net of provision)	Current	Current
	18.58	14.23
<b>Total</b>	<b>18.58</b>	<b>14.23</b>

## Note 12: Other Assets

(₹ in Lakhs)

Particulars	As at		As at	
	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2023	
	Non-current	Current	Non-current	Current
<b>a) Capital Advances:</b>				
Capital advances	140.37	-	162.29	-
<b>b) Other than Capital Advances:</b>				
Prepaid Expenses	-	165.68	-	199.35
Balance with statutory/government authorities	-	127.26	-	159.95
Less: Provision for Rebate claim	-	-	-	(1.67)
	-	<b>292.94</b>	-	<b>357.63</b>
Advances to supplier of inputs	-	101.13	-	66.35
Freight Recoverable	-	20.05	-	20.62
<b>Total</b>	<b>140.37</b>	<b>414.12</b>	<b>162.29</b>	<b>444.60</b>

(Unsecured and considered good unless otherwise stated)

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 13(a): Share Capital**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Numbers	Value in ₹ lakhs	Numbers	Value in ₹ lakhs
<b>A) Authorised :</b>				
<b>Preference share capital</b>				
Redeemable preference shares of ₹100/- each	6,00,000	600.00	6,00,000	600.00
<b>Equity share capital</b>				
Equity shares of ₹ 10/- each	6,00,00,000	6,000.00	6,00,00,000	6,000.00
<b>B) Issued :</b>				
Equity shares of ₹ 10/- each	5,96,40,700	5,964.07	5,96,40,700	5,964.07
<b>C) Subscribed and paid up :</b>				
Equity shares of ₹ 10/- each fully paid	5,88,46,400	5,884.64	5,88,46,400	5,884.64
<b>D) Subscribed and partly paid up and hence forfeited :</b>				
-	-	34.04	-	34.04
<b>Total (C+D)</b>	<b>5,88,46,400</b>	<b>5,918.68</b>	<b>5,88,46,400</b>	<b>5,918.68</b>

**(a) Reconciliation of Number of shares outstanding**

Equity Shares	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Numbers	Value in ₹ lakhs	Numbers	Value in ₹ lakhs
Opening Number of shares & value	5,88,46,400	5,884.64	5,88,46,400	5,884.64
Shares issued & value	-	-	-	-
Shares bought back & value	-	-	-	-
Others	-	-	-	-
Closing number of shares & value	5,88,46,400	5,884.64	5,88,46,400	5,884.64

**(b) Rights, preferences and restrictions attached to shares:**

**Equity shares** - The Company has issued only one class of equity share having a par value of ₹ 10 per share.

Each holder of equity share is entitled to one vote per share. All equity share have equal rights to receive or participate in any dividend or other distribution in respect of such shares.

**(c) Shares held by holding company, its subsidiaries and associates:**

Holding company	Nos.	% holdings	Nos.	% holdings
BHK Trading LLP	3,55,03,812	60.33%	3,55,03,812	60.33%

**(d) Details of shares held by shareholders holding more than 5% of Equity shares in the company:**

Equity Shares	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Nos. of Shares	% holdings	Nos. of Shares	% holdings
(i) BHK Trading LLP	3,55,03,812	60.33%	3,55,03,812	60.33%
(ii) Nina B. Kothari	62,57,500	10.63%	62,57,500	10.63%

**(e) Details of shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts : Nil**
**(f) Equity Shares movement during 5 years immediately preceding the financial year ended 31<sup>st</sup> March 2024:**

- Aggregate number of equity shares allotted as fully paid up pursuant to contract without payment being received in cash : Nil
- Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares : Nil
- Aggregate number of equity shares bought back : Nil

**(g) Details of Terms of any securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date : Nil**
**(h) Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : Nil**
**(i) Forfeited shares (amount originally paid-up) : Partly paid shares forfeited for ₹ 34.04 lakhs.**

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## (j) Disclosure of Shareholding of Promoters:

Equity Shares held at the end of the year	As at 31 <sup>st</sup> March 2024		
	Promoter Name	No. of shares	% of the total shares
(i) BHK Trading LLP	3,55,03,812	60.33%	-
(ii) Nina B Kothari	62,57,500	10.63%	-
(iii) Arjun B Kothari	9,593	0.02%	-
(iv) Kothari Sugars & Chemicals Ltd	1,000	0.00%	-
(v) Nayanthara B Kothari	100	0.00%	-
(vi) Anandita Kothari	-	-	-

Equity Shares held at the end of the year	As at 31 <sup>st</sup> March 2023		
	Promoter Name	No. of shares	% of the total shares
(i) BHK Trading LLP	3,55,03,812	60.33%	-
(ii) Nina B Kothari	62,57,500	10.63%	-
(iii) Arjun B Kothari	9,593	0.02%	-
(iv) Kothari Sugars & Chemicals Ltd	1,000	0.00%	-
(v) Nayanthara B Kothari	100	0.00%	-
(vi) Anandita Kothari	-	-	-

## Note 13(b): Other Equity

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>A) Capital Reserve</b>	<b>0.40</b>	<b>0.40</b>
<b>B) Retained earnings:</b>		
Balance at the beginning of the year	13,287.92	9,663.50
Total Comprehensive Income for the year	6,330.11	3,918.65
Dividend paid	(882.70)	(294.23)
Balance at the end of the year	<b>18,735.33</b>	<b>13,287.92</b>
<b>Total (A+B)</b>	<b>18,735.73</b>	<b>13,288.32</b>

## Note 14: Borrowings

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Non-current	Current	Non-current	Current
a) Secured				
Term loan from Indian Bank*	-	-	2,241.61	693.80
Less : Current maturities of long term borrowings moved to current borrowings	-	-	693.80	-
	-	-	<b>1,547.81</b>	<b>693.80</b>

\* Includes the following borrowing facilities availed by the Company:

- Sanctioned ₹2,707.00 lakhs during February 2022 as Capacity Enhancement Project Term Loan. Rate of interest rate is ranging at 7% to 9.50% with repo linked. Availed during the year 2022 - 23 ₹1,415.69 lakhs. The entire term loan was fully repaid during the year 2023 - 24.



**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 15: Deferred Tax Liability (Net)**

(₹ in Lakhs)

Particulars	01 <sup>st</sup> April 2023	Recognised in Other Comprehensive Income	Recognised in Statement of Profit & Loss	31 <sup>st</sup> March 2024*
Deferred tax asset / (liability) arising on account of:				
Property, plant and equipment	(1,343.41)	-	(445.35)	(1,788.76)
Provision for employee benefits	25.44	25.95	25.70	77.09
MTM gains/losses on derivatives	(2.88)	-	7.84	4.96
ROU Assets and Lease Liabilities	4.25	-	(4.25)	-
Fair value (Gain)/loss on Investments	(20.87)	-	(48.18)	(69.05)
Other items	2.00	-	(1.18)	0.82
<b>Deferred Tax Asset / (Liability)</b>	<b>(1,335.47)</b>	<b>25.95</b>	<b>(465.42)</b>	<b>(1,774.94)</b>

\* Note : As per Ind AS 12, the Deferred tax balances as at 31<sup>st</sup> March, 2024 have been recalculated based on the revised rate at 34.944% from 29.12%.

(₹ in Lakhs)

Particulars	01 <sup>st</sup> April 2022	Recognised in Other Comprehensive Income	Recognised in Statement of Profit & Loss	31 <sup>st</sup> March 2023
Deferred tax asset / (liability) arising on account of:				
Property, plant and equipment	(1,006.94)	-	(336.47)	(1,343.41)
Provision for employee benefits	37.71	(0.39)	(11.88)	25.44
MTM gains/losses on derivatives	0.73	-	(3.61)	(2.88)
ROU Assets and Lease Liabilities	6.61	-	(2.36)	4.25
Fair value (Gain)/loss on Investments	(24.42)	-	3.55	(20.87)
Other items	1.41	-	0.59	2.00
<b>Deferred Tax Asset / (Liability)</b>	<b>(984.90)</b>	<b>(0.39)</b>	<b>(350.18)</b>	<b>(1,335.47)</b>

**Note 16: Trade Payables**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Total outstanding dues of micro and small enterprises	482.93	365.77
Total outstanding dues of creditors other than micro and small enterprises	3,827.87	3,085.22
<b>Total</b>	<b>4,310.80</b>	<b>3,450.99</b>

**Trade payables due for payment**
**Ageing for Trade payables outstanding as on 31<sup>st</sup> March 2024**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.02	480.63	2.28	-	-	-	482.93
(ii) Others	760.08	2,484.46	572.52	-	-	-	3,817.06
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	0.13	9.63	1.05	10.81
<b>Total</b>	<b>760.10</b>	<b>2,965.09</b>	<b>574.80</b>	<b>0.13</b>	<b>9.63</b>	<b>1.05</b>	<b>4,310.80</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

Ageing for Trade payables outstanding as on 31<sup>st</sup> March 2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	0.02	304.41	61.34	-	-	-	365.77
(ii) Others	879.73	1,707.45	485.97	-	-	-	3,073.15
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	11.02	1.05	-	12.07
<b>Total</b>	<b>879.75</b>	<b>2,011.86</b>	<b>547.31</b>	<b>11.02</b>	<b>1.05</b>	<b>-</b>	<b>3,450.99</b>

## Note 17: Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Interest accrued but not due	-	18.29
Unclaimed dividend	22.91	30.92
Security deposit payable	48.62	45.04
Deferred revenue arising from interest free deposits	6.42	9.40
Non statutory dues	183.67	22.19
Derivative liability	14.18	-
Creditors for Capital Goods*	33.87	97.01
Managerial commission payable	399.18	215.49
<b>Total</b>	<b>708.85</b>	<b>438.34</b>

\*Not due as at 31<sup>st</sup> March 2024.

## Note 18: Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Customer advances	77.57	91.84
Statutory dues	95.14	57.54
<b>Total</b>	<b>172.71</b>	<b>149.38</b>

## Note 19: Provisions

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	Non-Current	Current	Non-Current	Current
Provision for employee benefits				
Gratuity-refer note (a) below	-	105.09	-	5.45
Bonus payable	-	45.22	-	45.37
Compensated absences	15.84	54.43	-	36.51
Provision related to other expenses	-	54.22	-	82.08
<b>Total</b>	<b>15.84</b>	<b>258.95</b>	<b>-</b>	<b>169.41</b>

(a) Liability to existing employees of the Company in respect of gratuity is covered under insurance policy (maintained with Reliance Nippon Life Insurance Company Limited) administered by a Trust maintained for participating enterprises viz. Kothari Sugars & Chemicals Limited (KSCL) and Kothari Petrochemicals Limited (KPL). The actuarial valuation is done by an independent external valuer under the Projected Unit Credit Method to ascertain the liability enterprise wise. During the year 2021 - 22, KPL has created separate trust for KPL employees and equitable interest transfer based on actuary valuation were carried out. The following table summarises the components of defined benefit plan cost to be recognised in statement of profit and loss account, other comprehensive income, liability to be recognized in balance sheet and changes in fair value of planned assets.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(₹ in Lakhs)

Particulars	2023-24	2022-23
<b>Present value of obligations at the beginning of the year</b>	<b>322.95</b>	<b>305.36</b>
Current service cost	35.92	24.26
Interest Cost	22.73	22.26
Re-measurement (gain) / loss:		
- Actuarial (gain) / loss arising from change in financial assumption	26.54	6.81
- Actuarial (gain) / loss arising from experience adjustment	60.45	(16.43)
Benefits paid out of common policy	(39.64)	(19.31)
<b>Present value of obligations at the end of the year</b>	<b>428.95</b>	<b>322.95</b>
<b>Changes in the fair value of planned assets</b>		
<b>Fair value of plan assets at the beginning of the year</b>	<b>317.50</b>	<b>241.42</b>
Equitable interest of Kothari Sugars & Chemicals Limited	-	-
Interest income	22.33	18.45
Return on plan assets	12.73	(8.28)
Contributions by the employer	10.98	63.95
Benefits paid out	(39.64)	(19.31)
Others	(0.04)	21.27
<b>Fair value of plan assets at the end of the year</b>	<b>323.86</b>	<b>317.50</b>
<b>Amounts recognized in the Balance Sheet</b>		
Projected benefit obligation at the end of the year	428.95	322.95
Less: Fair value of plan assets at end of the year	323.86	317.50
Share of obligation pertaining to Group Company under common Gratuity Trust	-	-
<b>Funded status of the plans - Liability recognized in the balance sheet</b>	<b>105.09</b>	<b>5.45</b>
<b>Components of defined benefit cost recognized in profit or loss</b>		
Current service cost	35.92	24.26
Net interest expenses	0.41	3.18
<b>Net cost in Profit or Loss</b>	<b>36.33</b>	<b>28.07</b>
<b>Components of defined benefit cost recognized in Other Comprehensive income</b>		
Re-measurement on the net defined benefit liability:		
- Actuarial gain/ (loss) arising from change in financial assumption	(26.53)	(6.81)
- Actuarial gain/ (loss) arising from experience adjustment	(60.45)	16.44
Return on plan assets	12.73	(8.28)
<b>Net gain/ (loss)</b>	<b>(74.25)</b>	<b>1.35</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Actuarial Assumptions**

The principal financial assumptions used for valuation as at end of the year are shown below.

**Summary of Financial & Demographic Assumptions:**

Particulars	Valuation Date	
	31.03.2024	31.03.2023
Discount Rate	7.21%	7.50
Salary Escalation - First 5 Years	6.50%	6.00%
Salary Escalation - After 5 Years	6.50%	6.00%
Expected Rate of Return on Plan Assets	NA	NA
Mortality Table	IALM (2012-14) Table	IALM (2012-14) Table
Disability Rate	No explicit loading	
Withdrawal Rate	2%	2%
Retirement Age	58	58
Average Future Service	21.61	21.09

**Experience Adjustments on Present Value of DBO and Plan Assets**

Particulars	Financial Year Ending 31.03.2024	Financial Year Ending 31.03.2023
(Gain) / Loss on Plan Liabilities	60,45,292	-16,43,357
% of Opening Plan Liabilities	18.72%	-5.38%
Gain / (Loss) on Plan Assets	-14,22,037	7,54,595
% of Opening Plan Assets	-4.48%	2.87%

**Sensitivity Analysis**

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

**Results of Sensitivity Analysis:**

Scenario	Assumption	DBO	Variation
Under Base Scenario	-	4,28,94,837	0.00%
Salary Increase Rate - Plus 100 Basis Points	7.50%	4,67,60,180	9.01%
Salary Decrease Rate - Minus 100 Basis Points	5.50%	3,95,71,328	-7.75%
Withdrawal Rates - Plus 100 Basis Points	3.00%	4,30,73,392	0.42%
Withdrawal Rates - Minus 100 Basis Points	1.00%	4,26,85,125	-0.49%
Discount Rates - Plus 100 Basis Points	8.21%	3,96,20,058	-7.63%
Discount Rates - Minus 100 Basis Points	6.21%	4,67,71,612	9.04%

**Note 20: Revenue from operations**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
(a) Sale of PIB and allied products	59,939.40	47,900.09
(b) Other operating revenues	374.32	314.61
<b>Revenue from operations</b>	<b>60,313.72</b>	<b>48,214.70</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Sales as per geographic areas(Ind AS 108 Para 33(a))**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Domestic	41,054.07	35,665.18
Exports	18,885.33	12,234.91
<b>Total</b>	<b>59,939.40</b>	<b>47,900.09</b>

**Sales with Single External customers amounting 10% or more (Ind AS 108 Para 34)**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Number of Customers	2	1
Sales Value	18,456.37	7,673.20

**Note 20(a): Other Operating Revenues**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Scrap sales	13.06	41.48
Export incentives	361.26	273.13
<b>Total</b>	<b>374.32</b>	<b>314.61</b>

**Note 21: Other Income**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Operating lease rentals from Investment Property	226.08	215.34
Interest income earned on financial assets	112.21	88.18
Net gain on foreign currency transaction and translation	145.56	146.87
Liabilities / provisions no longer required written back	-	16.94
Profits on sale of Property, Plant & Equipment	17.99	-
Gain / (Loss) on sale of investments (net)	117.38	60.00
Gain / (Loss) on Fair value of investments (net)	197.59	71.65
Insurance claim	-	14.10
Others	5.85	30.24
<b>Total</b>	<b>822.66</b>	<b>643.32</b>

**Note 22: Cost of Raw Materials and Components Consumed**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Opening stock of raw material and components	788.34	35.33
Add: Purchases during the year	38,045.58	32,535.82
Less: Closing stock of raw materials and components	1,220.70	788.34
Cost of Raw Materials and Components Consumed	<b>37,613.22</b>	<b>31,782.81</b>

**Note 23: Changes in Inventories of Finished goods**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Opening stock	2,231.98	2,137.05
Closing stock	1,560.17	2,231.98
<b>Net change</b>	<b>671.81</b>	<b>(94.93)</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note 24: Employee Benefit Expenses

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Salaries and wages	2,231.48	1,651.82
Contribution to provident and other funds	159.71	114.41
Staff welfare expenses	347.57	254.32
Sitting fees to Directors	14.10	14.10
<b>Total</b>	<b>2,752.86</b>	<b>2,034.65</b>

- (a) Contribution to Provident Fund is in the nature of defined contribution plan and are made to Employees Provident Fund Scheme, 1952. Under the Scheme, the Company is required to contribute a specified percentage of payroll cost to the Scheme. The interest as declared by the Government from time to time accrues to the employees under the Scheme.
- (b) Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to Reliance Nippon Life Insurance Company Limited. Under the Scheme, the Company is required to contribute a specified percentage of payroll cost to underwriters to enable them to make settlement to the qualifying employees.
- (c) Contribution Employees' Group Gratuity-cum Life Assurance scheme is in the nature of Defined Benefit plan and is remitted to Reliance Nippon Life Insurance Company Limited. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment.
- (d) Liability for unavailed leave for employees is considered as short term benefit and provided accordingly in books. Liability of unavailed sick leave for employees is considered as long term benefit and accounted on the basis of actuarial valuation.

## Note 25: Finance Cost

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Interest expenses	53.04	203.32
Interest expenses accrued on lease liability- Refer Note 4(b)	2.78	9.65
Other borrowing cost (Bank charges)	63.17	43.04
<b>Total</b>	<b>118.99</b>	<b>256.01</b>

## Note 26: Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Depreciation on Property, Plant and Equipment	687.09	546.10
Depreciation on Investment Property	23.48	23.41
Amortisation on Intangible assets	24.55	35.29
Depreciation on Right of use assets - Refer Note 4(b)	27.28	55.66
<b>Total</b>	<b>762.40</b>	<b>660.46</b>

## Note 27a: Utilities and Stores

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Power & fuel	3,222.16	2,877.65
Stores consumed	958.71	700.43
<b>Total</b>	<b>4,180.87</b>	<b>3,578.08</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 27b: Other Expenses**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Freight and carriage outwards	896.84	737.04
Packing materials	1,273.59	1,329.14
Repairs & maintenance		
- Building	76.18	221.15
- Plant & equipment	650.72	830.55
- Other assets	165.40	241.85
Operating lease rentals paid (Refer Note below)	96.83	23.82
Travelling	531.42	501.21
Insurance	67.16	73.44
Rates & Taxes	86.52	107.90
Auditor's Remuneration:		
- Statutory audit fees	5.00	5.00
- Limited review fees	1.50	1.50
- Tax audit	0.50	0.50
- Other services	0.05	0.08
Research and development expenditure (Refer Note 30)	142.74	165.48
Corporate Social Responsibility expenditure (Refer Note 31)	87.30	67.20
Legal & professional charges	797.37	386.89
Printing and stationery	18.11	16.19
Postage and telephone expenses	18.43	14.05
Other expenses	571.30	431.94
<b>Total</b>	<b>5,486.96</b>	<b>5,154.93</b>

**Note:** Operating Lease term less than one year and which are exempted under Ind AS 116.

**Note 27c: Directors' Remuneration**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
(a) Managing Director and whole time director remuneration		
Short term benefits	170.75	159.75
Commission payable 2023 - 24	399.18	215.49
	<b>569.93</b>	<b>375.24</b>
(b) Managing Director Commission paid w.r.t. 2022 - 23	<b>215.49</b>	169.64
Note : Managerial remuneration above does not include gratuity as the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.		
(c) Non-Executive Director's remuneration		
Directors' sitting fees	<b>14.10</b>	14.10
(d) Non-Executive Chairperson Commission	<b>99.79</b>	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

## Note 28: Tax Expense

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
The major component of income tax expense and the reconciliation of expected expense based on the domestic effective tax rate of Kothari Petrochemicals Ltd at 29.12% (Normal) and the reported tax expense in profit and loss are as follows:		
Profit before tax	9,508.41	5,520.92
Adjustments	-	-
Profit before tax	9,508.41	5,520.92
(i) Income Tax calculated at Normal 29.12% (2022-23:29.12%) Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	2,768.85	1,607.69
(ii) Allowances:		
(a) Effect of expenses/incomes allowed in tax computation	(137.05)	(314.32)
(b) Others	(40.36)	(46.42)
(iii) Disallowances:		
(a) Effect of expenses/incomes disallowed in tax computation	43.39	6.10
	2,634.83	1,253.05
Tax expenses comprise of:		
(i) Current tax	2,634.83	1,253.05
(ii) Adjustments in respect of current income tax of previous years	29.75	-
<b>Net Current Income Tax</b>	<b>2,664.58</b>	<b>1,253.05</b>

## Note 29: Earning per Equity Share

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Nominal value of equity share (₹)	10.00	10.00
Profit attributable to equity shareholders (A) (₹ in Lakhs)	6,378.41	3,917.69
Weighted average number of equity shares outstanding during the year (B)	5,88,46,400	5,88,46,400
Basic earnings per equity share (A/B) (₹)	<b>10.84</b>	<b>6.66</b>
Dilutive effect on profit (C)	-	-
Profit attributable to equity shareholders for computing diluted EPS (D)=(A+C) (₹ in Lakhs)	6,378.41	3,917.69
Dilutive effect on weighted average number of equity shares outstanding during the year (E)	-	-
Weighted average number of equity shares for computing diluted EPS (F)=(B+E)	5,88,46,400	5,88,46,400
Diluted earning per equity share (D/F) (₹)	<b>10.84</b>	<b>6.66</b>



**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 30: Details of Research and Development Expenditure**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
i) Capital expenditure	149.97	27.37
ii) Revenue expenditure		
a) Raw material and components consumed	22.71	13.97
b) Salaries and wages	52.87	37.67
c) Consultancy charges	59.72	94.38
d) Miscellaneous expenses	7.44	19.46
	<b>142.74</b>	<b>165.48</b>
<b>Total (i) + (ii)</b>	<b>292.71</b>	<b>192.85</b>

**Note 31: Expenditure on Corporate Social Responsibility**

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
(a) Amount required to be spent by the company during the year	87.30	67.20
(b) Amount of expenditure incurred,		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	87.30	67.20
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Not applicable	Not applicable
(f) Nature of CSR activities	Towards Educational scholarship support to the deserving students who are economically and socially in disadvantaged sector and supporting for educational infrastructure developments in Schools, Colleges and educational Institutions giving preference to local areas.	Towards Educational scholarship support to the deserving students who are economically and socially in disadvantaged sector and supporting for educational infrastructure developments in Schools, Colleges and educational Institutions giving preference to local areas.
(g) Details of related party transactions		
- Contribution to Shyam Kothari Foundation.	75.00	67.20
- Contribution to HCK Educational and Development Trust.	12.30	-
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation.	-	-

**Note 32: Capital Management**

The Company's capital management is intended to maximise the return to shareholders of the Company through the optimization of debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans. The funding requirements are met through equity and long term/short term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

The following table summaries the capital of the Company.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Equity</b>	24,654.41	19,207.00
Debt	-	2,241.61
Cash and cash equivalents	(585.55)	(1,176.61)
<b>Net Debt</b>	-	1,065.00
<b>Total capital (equity + net debt)</b>	<b>24,654.41</b>	<b>20,272.00</b>
Net debt to capital ratio	-	0.05

**Note 33: Fair value of financial assets and liabilities**

The Company considers that the carrying amount of financial assets and financial liabilities, other than those mentioned below are recognised at amortised cost in the balance sheet which approximates their fair value.

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023	Fair Value Hierarchy
<b>Financial Assets :</b>			
Investments in Mutual funds	5,807.33	3,446.15	Level 2
Investments in Equity Shares	297.66	268.50	Level 1
Derivative Assets	-	9.92	Level 1
<b>Financial Liabilities:</b>			
Derivative Liability	14.18	-	Level 1

Fair value of investments in Mutual Funds is based on Net asset value (NAV) declared by mutual fund houses at the reporting date.

There are no reclassification between different levels during the year.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note 34: Related Party Transactions**
**Related party disclosures - As identified by the Management and relied upon by the Auditors**

Holding Entity  
Under section 2(76) of the Companies Act, 2013, & Ind AS 24  
Promoter Entity  
BHK Trading LLP  
(i) M/s. Kothari Sugars and Chemicals Limited  
(ii) M/s. Century Foods Private Limited  
(iii) M/s. Kothari Safe Deposit Limited  
(iv) M/s. Parasakthi Trading Company Private Limited  
Chairperson & MD are  
Trustees of the Foundation  
(i) M/s. Shyam Kothari Foundation  
(ii) M/s. HCK Educational and Development Trust  
(iii) M/s. Kothari Petrochemicals Limited Employees' Gratuity Scheme

**Key Management Personnel (KMP)**

- (i) Mr. Arjun B. Kothari - MD  
(ii) Mr. M Rajavel - WTD  
(iii) Mr. S. Sivamahesh - CFO  
(iv) Ms. K. Priya - CS  
(i) Mrs. Nina B. Kothari - Chairperson  
(ii) Mr. S. Sundarraman  
(iii) Mr. V. V. SuryaRau  
(iv) Mr. Brij Mohan Bansal  
(v) Mr. Gautam Roy  
(i) Mrs. Anandita Kothari

Non Independent Non Executive Director (KMP)  
Non Executive Independent Directors (KMP)

Relative of Chairperson and Managing Director

(₹ in Lakhs)

Nature of Transactions	Holding Entity		Key Management Personnel (KMP)		Non-Executive Director (KMP)		Non Independent Non-Executive Director (KMP)		Non Executive Independent Directors (KMP)		Relative of Chairperson and Managing Director			
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23		
Dividend	532.56	177.52	0.14	0.05	93.86	31.29	0.09	0.02	0.09	0.02	-	-		
Commission	-	-	-	-	99.79	-	-	-	-	-	-	-		
Sitting Fees	-	-	-	-	2.20	2.20	11.90	11.90	11.90	11.90	-	-		
Management Consultancy	-	-	-	-	-	30.00	-	-	-	-	-	-		
Short Term Employee Benefits	-	-	462.98	274.01	-	-	127.38	-	-	-	11.99	-		
Post-Employment Benefits	-	-	7.20	7.20	-	-	13.98	-	-	-	1.44	-		
<b>Closing Balance</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>		
Nature of Transactions	Century Foods Pvt Ltd.		Kothari Safe Deposits Ltd.		Kothari Sugars & Chemicals Ltd.		Parasakthi Trading Co. Pvt. Ltd.		Shyam Kothari Foundation		HCK Educational and Development Trust		Kothari Petrochemicals Limited Employees' Gratuity Scheme	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Dividend	-	-	-	-	0.01	0.01	-	-	-	-	-	-	-	-
Lease rental	17.00	15.60	27.74	25.41	0.02	0.02	32.40	-	-	-	-	-	-	-
Electricity charges	-	-	-	-	7.40	7.20	7.66	-	-	-	-	-	-	-
Locker Rent	-	-	0.05	0.05	-	-	-	-	-	-	-	-	-	-
Professional Services (AMC, Tech Fee)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CSR Payment	-	-	-	-	411.52	411.52	-	-	67.20	67.20	-	-	-	-
Sales	-	-	-	-	(13.56)	(13.56)	-	-	75.00	75.00	12.30	12.30	-	-
Gratuity Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Closing Balance</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>10.98</b>	<b>63.95</b>

**Note :**

- Remuneration to KMP and Managing Director remuneration above does not include gratuity as the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.
- Dividend of ₹150/- paid to Mrs. Nayantara B. Kothari, Relative of Chairperson and Managing Director.

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note 35: Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies**

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest risk and equity price risk), credit risk, liquidity risk and cyber security risk.

The Company seeks to minimise the effect of these risks by using financial instruments such as foreign currency forward contracts and appropriate risk management policies. The Company does not enter into trade financial instruments, including derivative financial instruments for speculative purposes.

**a) Foreign currency risk management**

The Company is exposed to foreign exchange risk on account of exports. The Company has a forex policy in place whose objective is to reduce foreign exchange risk by deploying the appropriate hedging strategies (forward covers) and also by maintaining reasonable open exposures within the approved parameters depending on the future outlook on currencies.

Foreign currency forward covers outstanding as at Balance sheet date :

(₹ in Lakhs)

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Forward cover (sell) :		
USD / INR (in FCY)	48.59	37.81
USD / INR (in INR)	4,046.31	3,113.19
EURO / INR (in FCY)	-	0.67
EURO / INR (in INR)	-	60.21

The forward contracts have been entered into to hedge highly probable sale transactions and trade receivables. Forward cover has been taken for all the export trade receivables as at the above dates. Exposures to other currency is negligible and hence not considered above.

The Company has fully hedged to forex exposures with forward contracts. Hence, there is no impact expected due to fluctuation in exchange rates.

**b) Interest rate risk management**

The Company uses cash credit for working capital and term loan for capex. The interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of borrowings.

**Interest rate sensitivity analysis**

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of reporting was outstanding for the whole year. A 50 basis point increase or decrease in case of Rupee borrowing is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

If the interest rate were to increase by 50 basis from 31<sup>st</sup> March 2024, in case of Rupee borrowings and all other variables were held constant, Impact is Nil as there is no additional annual interest expense as there is no outstanding. (31<sup>st</sup> March 2023 ₹11.21 lakhs).

**c) Equity price risks**

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification, by placing limits on equity instruments and party routing through portfolio management services. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Increase or decrease in equity prices by 5% would the expose the listed equity securities at fair value of ₹299.12 lakhs by ₹1.46 lakhs as at 31<sup>st</sup> March 2024

**d) Credit risk management**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and credit worthiness of its counter parties are periodically monitored and taken up on a case to case basis. The Company evaluates the concentration of risk with respect to trade receivables as low generally, as the major chunk of trade receivables is from oil PSUs and companies with high credit rating. Export markets for spot customers were backed by letter of credit. There is no material expected credit loss based on the past experience. The Company assesses the impairment of trade receivables on a case to case basis and creates loss allowances, if required.

**e) Liquidity risk management**

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31<sup>st</sup> March 2024. (₹ in Lakhs)

Particulars	Carrying amount	upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Interest bearing borrowings	-	-	-	-	-
Trade payables (Non - Interest bearing)	4,310.80	4,310.80	-	-	4,310.80
Other financial liabilities	708.85	708.85	-	-	708.85
<b>Total</b>	<b>5,019.65</b>	<b>5,019.65</b>	<b>-</b>	<b>-</b>	<b>5,019.65</b>

The table below provides details of financial assets as at 31<sup>st</sup> March 2024: (₹ in Lakhs)

Particulars	Non Current	Current	Carrying Amount
Trade receivable	-	5,866.84	5,866.84
Cash and cash equivalents	-	585.55	585.55
Other financial assets	-	1,272.43	1,272.43
Investments	939.55	6,412.10	7,351.65
<b>Total</b>	<b>939.55</b>	<b>14,136.92</b>	<b>15,076.47</b>

**f) Cyber security Risk**

This risks refers to the potential loss due to a breach or failure of an organizations's information systems or technology infrastructure. It may results in financial losses, legal liabilities and damage to an organization's reputation which can affect financial stability and performance.

It can manifest in various forms, such as hacking, phishing, malware, ransomware, and denial-of-service attacks. These threats can lead to theft of sensitive information, disruption of operations, or destruction of data, all of which can result in financial losses for the organization.

The company has put in place effective management of cyber security risk by adopting a comprehensive approach that includes implementing of security controls, conducting regular vulnerability assessments, training employees on cyber security best practices. By managing cyber security risk effectively, organizations can protect their financial assets and ensure their ongoing financial stability and success.

**Note 36: Events after the reporting period**

No adjusting or significant non-adjusting events have occurred between 31<sup>st</sup> March 2024, the reporting date and the date of approval of financial statements. The Board of directors recommended a Final dividend of ₹1 per equity share in the meeting held on 16<sup>th</sup> May 2024.

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note 37: Contingent Liabilities and Commitments**

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt	-	-
(b) Guarantees excluding financial guarantees	1,678.91	1,692.37
(c) Other money for which company is contingently liable(LC)	-	-
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	436.72	999.95
(b) Uncalled liability on shares and other investments partly paid; and	-	-
(c) other commitments (specify nature)	-	-

**Note 38 : Dues to Micro and Small suppliers**

Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), and relied upon by the auditors, the relevant particulars as at 31<sup>st</sup> March 2024 are furnished below:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year		
Principal	482.90	365.74
Interest	0.03	0.03
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.03	0.03
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.03	0.03

**Note 39: Segment Reporting (Ind AS 108)**

The Company is engaged in the business of Manufacture and sale of Petrochemical Products which constitutes single business segment. As per management's perspective, the risks and returns from its sales do not materially vary geographically. Accordingly, there are no other business / geographical segments to be reported under Ind AS 108.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**Note - 40: Additional Regulatory Information**
**(i) Ratios:**

Ratio	Numerator	Denominator	2023-24	2022-23
(a) Current Ratio, (in times)	Total Current Assets	Total Current Liabilities	3.14	2.85
(b) Debt-Equity Ratio, (in times)	Total Liabilities	Total Equity	0.29	0.41
(c) Debt Service Coverage Ratio, (in times)	PAT + Depreciation + Finance cost + Loss / (gain) on sale of assets	Finance cost + Principle lease payments and Loan repayments	8.53	7.99
(d) Return on Equity Ratio, (in %)	PAT	Average Total Equity	29.08%	22.52%
(e) Inventory turnover ratio, (in times)	Sale of products	Average Inventory	18.61	16.16
(f) Trade Receivables turnover ratio, (in times)	Net Credit Sales	Average Trade Receivables	11.90	13.40
(g) Trade payables turnover ratio, (in times)	Net Credit Purchases	Average trade payables	13.88	13.33
(h) Net capital turnover ratio, (in times)	Revenue from operations	Average Working capital	5.18	5.26
(i) Net profit ratio, (in %)	PAT	Revenue from operations	10.58%	8.13%
(j) Return on Capital employed, (in %)	Profit before Interest & tax	Total Equity + Non - current liabilities	36.41%	26.15%
(k) Return on investment (in %)	Gain (Loss) on Fair value of Investments + Dividend and Interest income from investments	Average value of Investments	7.30%	5.37%

**The details of significant changes in ratios (25% or more) as compared to 2022 - 23**

Ratios	2023-24	2022-23	% of Variance	Reason for variance
1. Debt-Equity Ratio (in times)	0.29	0.41	-28%	Due to repayment of bank borrowings in full.
2. Return on Equity Ratio (in %)	29.08%	22.52%	29%	Due to Increase in profits.
3. Net profit ratio (in %)	10.58%	8.13%	30%	Due to Increase in sales volume and profits.
4. Return on Capital employed (in %)	36.41%	26.15%	39%	Due to Increase in profits
5. Return on investment (in %)	7.30%	5.37%	36%	Due to increase in investments and improved investment mix.

**(ii) Disclosure on borrowings secured against current assets:**

The company has working capital facilities from Indian bank. Quarterly returns or statements filed by the company against current assets with the bank and are in agreement with the books of accounts.

**(iii) Registration of charges or satisfaction with Registrar of Companies (ROC):**

The company has no charges or satisfaction yet to be registered with ROC beyond the statutory period.

**Note 41: Exceptional items**

During the year, the company scrapped old equipment which have no further use. Gain / (Loss) is shown under Exceptional item.

**Note 42: Previous year figures**

Previous year figures have been regrouped wherever necessary to correspond with current year's classification/ disclosure.

As per our report of even date attached

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

**S. Raghavendhar**  
Partner  
Membership No.244016

**Place :** Chennai  
**Date :** May 16, 2024

For and on behalf of the Board of Directors of  
**Kothari Petrochemicals Limited**  
**CIN : L11101TN1989PLC017347**

**Arjun B. Kothari**  
Managing Director  
DIN: 07117816

**K. Priya**  
Company Secretary

**S. Sundarraman**  
Director  
DIN : 01032768

**S. Sivamahesh**  
Chief Financial Officer



**KOTHARI PETROCHEMICALS LIMITED**

Regd. Office. "Kothari Buildings"

No. 115, Mahatma Gandhi Salai,

Nungambakkam, Chennai - 600 034.