

July 06, 2021

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

Dear Sirs,

Stock Code - **KOTHARIPET**

Sub: 32nd Annual Report of the Company and e-voting process of Kothari Petrochemicals Limited for the financial year 2020 - 2021.

- (i) Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a copy of the Annual Report along with the Notice convening the 32nd Annual General Meeting of the Company is enclosed. The 32nd Annual General Meeting of the Company will be held on **Thursday, 29th July 2021 at 11.00 A.M** through Video Conference (VC) / Other Audio Visual Means (OAVM).
- (ii) Further, we wish to inform that in terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company shall provide to its members the facility to exercise their votes electronically for transacting the items of business as set out in the Notice convening the 32nd Annual General Meeting of the Company.
- (iii) The Company has entered into an arrangement with Central Depository Services (India) Limited ('CDSL') for facilitating e-voting through their e-voting platform i.e. www.evotingindia.com. The remote e-voting period begins on Sunday, 25th July, 2021 at 9.00 A.M and ends on Wednesday, 28th July, 2021 at 5.00 P.M. The cut-off date for reckoning the eligibility of the members for e-voting is Thursday, 22nd July, 2021.
- (iv) In compliance with MCA Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 has been sent to the shareholders, only through electronic mode on Tuesday, 06th July, 2021 to those members whose e-mail addresses are registered with the Company/Depositories.
- (v) Proof of sending of Annual Report through e-mail to shareholders is enclosed for your records.
- (vi) Kindly take the same on your record and display the same on the website of the Stock Exchange.

Thanking You,

Yours faithfully

for **Kothari Petrochemicals Limited**


K. Priya

Company Secretary & Compliance Officer



Encl: as above

Plant:

1/2-B 33/5 Sathangadu Village, Manali, Chennai - 600 068, India, Phone +91 44 2594 1308 / 309, Fax +91 44 2594 1524

CIN : L11101TN1989PLC017347
TIN No. : 33523881406
GST No. 217771 / dt. 20-12-1999
GSTIN : 33AAACK1347H1ZX



CAMEO CORPORATE SERVICES LIMITED

Ref: CAM/KOTHARI PETRO/EMAIL/2021

6th July 2021

The Company Secretary,
KOTHARI PETROCHEMICALS LTD,
Kothari Buildings,
No.115, Mahatma Gandhi Salai,
Nungambakkam,
Chennai -600 034..

Dear Sir,

Sub: Sending of Annual report-2020-2021 to the shareholders through Email- Reg.

As per your request for sending Annual Report through Email to the shareholders of your company In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the Covid -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM.

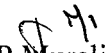
We have sent Email to the shareholders-12136 on 06.07.2021. The details of Email sent/returned is given below:

Description	No.of Holders
Total Email Sent on 06.07.2021	12136
Email returned undelivered	NIL
Invalid Email	---
Emails sent successfully	12136

We hereby confirm that we have sent the Annual Report for the year 2020-2021 to email to the above mentioned 12136 shareholders on 06.07.2021.

This is for your kind information.
Thanking you,

Yours faithfully,
For CAMEO CORPORATE SERVICES LIMITED


P. Muralidharan
Joint Manager



Kothari Petrochemicals Limited

32nd Annual Report 2020 - 21





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
 Arjun B. Kothari - Managing Director
 M. Rajavel - Whole Time Director
 S. Sundarraman - Independent Director
 V. V. SuryaRau - Independent Director
 Brij Mohan Bansal - Independent Director
 (w.e.f 10th August 2020)
 Gautam Roy - Independent Director
 (w.e.f 10th August 2020)

Company Secretary

K. Priya

Chief Financial Officer

S. Sivamahesh

Statutory Auditors

P. Chandrasekar LLP
 Chartered Accountants
 No.18A, 1st 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, Sundar Regency, 3rd Street,
 Choolaimedu, Chennai - 600 094.

Secretarial Auditor

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

Legal Advisors

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

Registered Office

"Kothari Buildings"
 No.115, Mahatma Gandhi Salai,
 Nungambakkam, Chennai - 600 034.
 Phone No. 044 - 30225616 / 30225507 / 43036464
 e-mail: secdept@hckgroup.com
 Website: www.kotharipectrochemicals.com

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

Cameo Corporate Services Limited
 Subramanian Building, 5th Floor,
 No.1, Club House Road,
 Chennai - 600 002.
 Phone No. 044 - 28460390 to 28460394
 Fax No. 044 - 28460129
 e-mail: investor@cameoindia.com

Listing

The National Stock Exchange of India Limited (NSE)

Stock Code	KOTHARIPET
ISIN	INE720A01015
CIN	L11101TN1989PLC017347

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FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
PROFITABILITY ITEMS					
Gross Income	23,277.43	27,603.60	30,220.97	20,129.04	24,654.32
Profit (PBDIT)	3,787.23	3,048.50	2,356.03	1,949.88	1,457.30
Profit/ (Loss) After Tax	2,254.36	1,832.91	1,218.57	957.60	580.75
BALANCE SHEET ITEMS					
Net Fixed Assets	9,728.69	9,721.63	10,024.30	9,525.83	6,899.45
Investments	1,530.32	400.00	-	-	-
Total Capital Employed	13,529.85	11,107.50	9,888.53	9,692.19	8,618.32
Shareholders Funds	12,312.63	10,021.49	8,548.29	7,862.95	7,083.69
RATIOS					
Book Value per share (₹)	20.92	17.03	14.53	13.36	12.04
EPS (₹)	3.83	3.11	2.07	1.63	0.99
Return on Investment	18.31%	18.29%	14.26%	12.18%	8.20%
Dividend %	-	-	5%	7.50%	5%

NOTICE TO THE MEMBERS

Notice is hereby given that the 32nd Annual General Meeting of Kothari Petrochemicals Limited will be held on Thursday, 29th July 2021 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, 2021, 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.

Special Business

3. 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 reenactment(s) thereof, for the time being in force), payment of remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand 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 2021-2022, be and is hereby ratified and confirmed".

4. To consider and approve the Re-appointment of Mr. M. Rajavel as Whole Time 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 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 of the Company for a period of three years with effect from 01st August 2021 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:

₹ 5,36,493/- (Rupees Five Lakhs Thirty Six Thousand Four Hundred and Ninety Three 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 Annuity Fund and Gratuity at the rate not exceeding 15 days salary for every completed year of service.

(d) Annual Increment and Performance Bonus:

The annual increment / Bonus and Performance Commission, 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."

5. Appointment of Mr. Brij Mohan Bansal as an Independent Director

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"Resolved that Mr. Brij Mohan Bansal (DIN : 00261063), who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 10, 2020 in terms of Section 161 of the Companies Act, 2013 and Article 133 of the Articles of Association of the Company, who shall hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing pursuant to Section 160

NOTICE TO THE MEMBERS

of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five years upto August 09, 2025 as per Sections 149, 150 & 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013".

6. Appointment of Mr. Gautam Roy as an Independent Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"Resolved that Mr. Gautam Roy (DIN : 06659522), who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 10, 2020 in terms of Section 161 of the Companies Act, 2013 and Article 133 of the Articles of Association of the Company, who shall hold office upto the date of this Annual General Meeting 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 of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five years upto August 09, 2025 as per Sections 149, 150 & 152 and any other applicable provisions of the Companies Act, 2013 and the rules

made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013".

7. To adopt a new set of Articles of Association of the Company in line with Companies Act, 2013

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"Resolved that pursuant to the provisions of Section 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded, to adopt new set of Articles of Association in the place of existing Articles of Association of the Company."

"Resolved further that Mrs. K. Priya, Company Secretary, be and is hereby authorized to make any filings, disclosures and submissions as may be required under applicable laws and do all such acts, things and deeds as may be necessary, proper or desirable for the purpose of giving effect to the aforesaid resolution."

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

K. Priya
Company Secretary

Place : Chennai

Date : May 24, 2021

Important Notes:

- a) In view of the continuing COVID-19 global pandemic, the Ministry of Corporate Affairs vide its Circular No.20/2020 dated May 05, 2020 read with Circular No.14/2020 dated April 8, 2020 read with Circular No.17/2020 dated April 13, 2020 and Circular No.02/2021 dated January 13, 2021 allows conducting of Annual General Meeting of the Company through Video Conferencing (VC) or Other AudioVisual Means (OAVM) without the physical presence of the members for the meeting at a common venue. In terms of the said Circulars and in compliance with the provisions of the Companies Act, 2013 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/ 2021/11 dated January 15, 2021 and relevant Circulars of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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
- 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 and Attendance Slip are not annexed to this Notice.
- c) 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 Register of Members and Share Transfer Books will remain closed from Friday, the 23rd July, 2021 to Thursday, 29th July, 2021 (both days inclusive) on account of the Annual General Meeting.
- e) 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.
- f) Members who have not encashed their dividend warrants / Demand Drafts pertaining to the dividend declaration year 2014-15 to 2019-20 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

NOTICE TO THE MEMBERS

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 Companies Act, 2013.

S. No.	Nature of Dividend	Date of Declaration	Due Date for Transfer to IEPF
(i)	Final Dividend	02.09.2014	07.10.2021
(ii)	Final Dividend	10.08.2015	15.09.2022
(iii)	Interim Dividend	19.03.2016	24.04.2023
(iv)	Interim Dividend	13.02.2017	21.03.2024
(v)	Final Dividend	07.09.2017	13.10.2024
(vi)	Final Dividend	30.07.2018	04.09.2025
(vii)	Final Dividend	06.08.2019	10.09.2026

- 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 declaration years 2014-15 to 2019-20, as on 31st March 2020 on the website of the IEPF viz. www.iepf.gov.in & also in the Company's Website www.kotharipetrochemicals.com under "Investors Section."
- h) Members holding shares in Dematerialized form are requested to intimate immediately all changes pertaining to their Bank details NACH / NECS / ECS, mandates, nominations, power of attorney, change of address / name etc., to their Depository Participant only and not to the Company's Registrar and Share Transfer Agents (RTA). Changes intimated to the Depository Participant will be automatically reflected in the Company's records which will help the Company and the RTA to provide efficient and better service to the Members. Members holding shares in physical form are requested to advice the above changes and Transmission of Shares to the Company's RTA viz. M/s. Cameo Corporate Services Limited.
- i) Shareholders are requested to update their Bank account details with their Depository Participant if they are holding the shares in Demat and to RTA in case, they are holding the shares in physical. In this connection, the Company has issued three reminders to all shareholders, who have not updated their PAN and Bank account details of first and sole shareholders of the Company. Once again, the members are advised to update your KYC with RTA.
- j) Further, the Company draws your attention to the notification issued by SEBI dated June 08, 2018 and the press release dated December 03, 2018 amending Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to the amended provisions, any request for effecting transfer of shares in physical form shall not be processed except in case of transmission or transposition of shares unless the shares are held in demat form. Hence, the Company / Registrar and Share Transfer Agent would not be in a position to accept / process the requests for transfer of shares held in physical form with effect from 01.04.2019. Therefore, the Company advises you to take steps for dematerializing your shareholding in the Company. Holding of shares in dematerialized form offers host of benefits like enhanced security, ease of handling, faster transfers and eliminating bad deliveries. In view of the above, in order to ensure that you are able to deal in the shares hassle-free, kindly take steps for dematerializing the shares at the earliest.
- k) The Company has designated an exclusive e-mail id viz. secdept@hckgroup.com to enable investors to register their complaints / queries, if any.
- l) In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the RTA in the following cases viz. Deletion of Name, Transmission of Shares, Transposition of Shares, etc. Shareholders are requested to furnish copy of PAN card for all the above mentioned transactions.
- m) Pursuant to Section 72 of the Companies Act, 2013 and the Rules made there under the Members holding shares in single name may, at any time, nominate in form SH-13, any person as his/her nominee to whom the securities shall vest in the event of his/her death. Nomination would help the nominees to get the shares transmitted in their favour without any hassles. Members desirous of making any cancellation/variation in the said nomination can do so in form SH-14. The nomination forms can be downloaded from the Company's website www.kotharipetrochemicals.com.
- n) 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.
- o) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only 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. 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. For any communication, the shareholders may also send requests to the Company's investor email id secdept@hckgroup.com
- p) 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 requesting for inspection of the Registers.

NOTICE TO THE MEMBERS

- q) 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.
- r) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

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 April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 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, 25th July 2021 at 9.00 A.M. and ends on Wednesday, 28th July, 2021 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, 22nd July 2021 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.

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

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

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

Pursuant to 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 share-holders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 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 URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

NOTICE TO THE MEMBERS

Individual Shareholders holding securities in demat mode with NSDL

- 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: **<https://eservices.nsdl.com>** either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- 2) If the user is not registered for IDeAS e-Services, option to register is available at **<https://eservices.nsdl.com>**. Select "Register Online for IDeAS" Portal or click at **<https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>**
- 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **<https://www.evoting.nsdl.com/>** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP received in registered mobile & email and a Verification Code as shown on the screen. After successful authentication, you will be re-directed to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders (holding securities in demat mode) login through their **Depository Participants**

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 & voting during the meeting.

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

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

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

- v) Login method for 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**.
- 2) Click on "Shareholders" 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.

NOTICE TO THE MEMBERS

- 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 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"> 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.
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"> 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.

- 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.
- 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 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.
 - (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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - (e) 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) and to the RTA at the email address viz; (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.

NOTICE TO THE MEMBERS

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. 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. 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 or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400 013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

General :

- a) The remote e-voting period commences on Sunday, 25th July 2021 at 9.00 A.M. and ends on Wednesday, 28th July, 2021 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, 22nd July, 2021 may obtain the login ID and password by sending an email to investor@cameoindia.com or secdept@hckgroup.com or helpdesk.evoting@cdslindia.com by mentioning their Folio No./DP ID and Client ID No. However, if you are already registered with CDSL for

NOTICE TO THE MEMBERS

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, 22nd July, 2021.
- d) Mr. M. Alagar of M/s. M. Alagar & Associates, (M.No.7488 / CP No.8196) Practicing Company Secretaries, Chennai, 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 thereafter unblock the votes cast through remote e-voting in the presence of at least 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 scrutiniser'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 countersign 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.kotharipectrochemicals.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.
Item No. 3

The Audit Committee and the Board of Directors of the Company at their meetings held on 24th May, 2021 appointed M/s. P. Rajulyer, M. Pandurangan & Associates, Cost Accountants as the Cost Auditor for the Poly Iso Butylene (PIB) unit of the Company for the year 2021-2022.

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. 3 of the Notice to ratify the remuneration of ₹ 75,000/- (Rupees Seventy Five Thousand 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 2021-2022 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 24th May 2021.

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. 3. 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. 3 to the shareholders of the Company.

Item No. 4

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 is with Kothari Petrochemicals Limited since 2011 heading product marketing and commercial role. Mr. M.Rajavel was appointed as Whole Time Director for a period of three

years with effect from 01st August 2018. Based on his positive attributes, 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 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 24th May, 2021, 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 of the Company for a period of three years with effect from the 01st August 2021 on a remuneration as set out in Item No. 4 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. 4 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. 4 to the shareholders of the Company.

NOTICE TO THE MEMBERS**Item No. 5**

The Board of Directors of the Company at its meeting held on 10.08.2020 appointed Mr. Brij Mohan Bansal as an Additional Director of the company in the capacity of Independent Director to hold office from August 10, 2020. Mr. Brij Mohan Bansal holds office upto the date of this Annual General Meeting. As per the provisions of Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing Mr. Brij Mohan Bansal as a candidate for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The proposed resolution set out at Item No. 5, seeks the approval of members for the appointment of Mr. Brij Mohan Bansal as an Independent Director of the Company for a term of five years upto 09th August, 2025 pursuant to Section 149 and other applicable provisions of the Companies Act 2013.

In the opinion of the Board, Mr. Brij Mohan Bansal fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. Brij Mohan Bansal as an Independent Director would be available for inspection without any fee by the members.

Except Mr. Brij Mohan Bansal, 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.5 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. 5 to the shareholders of the Company.

Item No. 6

The Board of Directors of the Company at its meeting held on 10.08.2020 appointed Mr. Gautam Roy as an Additional Director of the Company in the capacity of Independent Director to hold office from August 10, 2020. Mr. Gautam Roy holds office upto the date of this Annual General Meeting. As per the provisions of Section 160 of the Companies Act, 2013, the Company has received requisite notice from a Member proposing Mr. Gautam Roy as a candidate for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The proposed resolution set out at Item No. 6, seeks the approval of members for the appointment of Mr. Gautam Roy as an Independent Director of the Company for a term of five years upto 09th August, 2025 pursuant to Section 149 and other applicable provisions of the Companies Act 2013.

In the opinion of the Board, Mr. Gautam Roy fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company. Copy of the draft letter for appointment of Mr. Gautam Roy as an Independent Director would be available for inspection without any fee by the members.

Except Mr. Gautam Roy, 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. 5 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. 6 to the shareholders of the Company.

Item No. 7

The existing Article of Association was in line with the provisions contained in the Companies Act, 1956. The provisions of company law have undergone various changes through the Companies Act, 2013 and further amendments thereon. Though it is not mandatory for a company to change its existing Article of Association pursuant to the new provisions, it is however considered appropriate now that our Company following the initiative taken by many other companies to amend its Articles of Association to be compatible and in alignment with the new Act.

The Board of Directors vide resolution passed on 24th May 2021 approved to adopt a new set of Articles in place of the existing Articles of Association of the Company and accordingly recommended this proposal for Shareholders' approval. In terms of Section 5 and 14 of the Companies Act, 2013, the consent of the Shareholders is required by way of a Special Resolution for amending the Articles of Association.

The new amended draft Articles of Association as approved by the Board in its meeting held on May 24, 2021 is hosted in the Website of the Company viz. www.kotharipetrochemicals.com for inspection of the Member(s) and Members who are interested to get copy of the Articles of Association can send in their request to the Company e-mail address: secdept@hckgroup.com

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in the aforesaid resolution.

The Board recommends the resolution for approval of the members as a Special Resolution.

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

Place : Chennai

Date : May 24, 2021

K. Priya
Company Secretary

NOTICE TO THE MEMBERS
ANNEXURE TO THE NOTICE

THE INFORMATION IN RESPECT OF ITEM NO. 2, 4, 5 & 6, 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. 2 & 4	Item No. 5	Item No. 6
Name of the Director	M.Rajavel	Brij Mohan Bansal	Gautam Roy
Date of Birth	01.05.1963	04.01.1951	28.01.1958
Date of First Appointment on the Board	01.08.2018	10.08.2020	10.08.2020
Qualification	B.Sc. (Chemistry)	B.Tech in Chemical Engineering and PG Diploma in Process Plant Engineering from Indian Institute of Technology, Delhi.	B.E in Chemical Engineering from Jadavpur University.
Experience in specific functional areas	He started his career in M/s. Aruna Sugars Limited. He then worked as the marketing officer in M/s.Chemfab Alkalies 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. From the year 2011 he is heading the product marketing and commercial functions of the Company. He is also a member of Technical Committee constituted by the Board of Directors of the Company.	He has around 46 years of experience in Oil and Gas sector. Mr. Bansal joined Indian Oil Corporation Ltd in 1974 and rose to the position of Chairman of IOCL. He was actively involved in cross- border deals, Merger and Acquisitions, scouting for strategic partners across the globe and formation of JVs, Refinery management, and overall management of the companies as chairman / CEO, leading high level delegations for G to G. Mr. Bansal has served on Boards of many organizations Viz. Lubrizol India, Engineers India, CPCL, IOTL, PLL, GPPL and JBF industries.	He possesses more than 40 years of experience in the Oil Refining Industry. Mr. Gautam Roy joined Gujarat Refinery of Indian Oil Corporation Ltd in 1980. He has worked in the Gujarat Refinery, Barauni Refinery, Mathura Refinery and Refinery Head Quarters of IOCL, Delhi in various capacities. He served as the Managing Director of Chennai Petroleum Corporation Ltd. from Oct 2014 to Jan 2018. Mr. Gautam Roy has served on the Boards of Chennai Petroleum Corporation Limited (CPCL), National Aromatics and Petrochemicals Corporation Limited, Indian Catalyst Private Limited and Indian Additives Limited.
List of other Public Companies in which Directorship held	Nil	Asian Energy Services Limited	Nil
Chairman / Member of the Committee of the Board of Director of the Company.	Member Technical Committee	Member Audit Committee	Member Audit Committee
Chairman / Member of the Committee of the other companies in which he/she is a Director.	Nil	Nil	Nil
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2021	Nil	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. M. Rajavel, Mr. Brij Mohan Bansal and Mr. Gautam Roy are not related to Promoters and Directors in the Company.		
Number of meetings attended during the year.	Please refer Corporate Governance Section.		

BOARD'S REPORT

To the Members

The Directors have pleasure in presenting before you the 32nd Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2021.

Financial Summary of the Company

(₹ in Lakhs)

Sl. No.	Particulars	2020 - 2021	2019 - 2020
(i)	Total Turnover	22,789.16	27,243.08
(ii)	Profit / (Loss) before Interest and Depreciation	3,787.23	3,193.03
(iii)	Interest	88.91	204.27
(iv)	Depreciation	550.67	553.92
(v)	Profit / (Loss) Before Tax	3,147.65	2,434.84
(vi)	Tax Adjustments including Deferred Tax	893.29	601.93
(vii)	Profit / (Loss) after Tax	2,254.36	1,832.91
(viii)	Other comprehensive income	36.78	0.14
(ix)	Total comprehensive income	2,291.14	1,833.05
(x)	Profit brought forward from previous year	4,102.41	2,624.07

Financial Highlights

The Company's Profit before Tax for the year ended 31st March 2021 has increased to ₹ 3,147.65 lakhs as compared to ₹ 2,434.84 lakhs in the previous year. The total turnover for the year ended 31st March 2021 is ₹ 22,789.16 lakhs as against ₹ 27,243.08 lakhs in the previous year. The drop in turnover is mainly due to zero Remnant LPG sales during the year. As you are aware, the Company had changed the source of raw material since July 2019 and hence there was no Remnant LPG sales. During 2019-20, before the change of raw material source, the Company had to sell Remnant LPG to the tune of ₹ 3,132 lakhs. Despite the increase in Poly Iso Butylene (PIB) volume during current year as compared to previous year, there is a drop, in terms of value by ₹ 1,263 lakhs. This was mainly due to the linking off sale prices to the lower raw material base prices and also the export prices are impacted by international demands.

Status of the Plant

The plant production capacity was 2000 TPM (24000 TPA) of Poly Iso Butylene (PIB) till Feb' 2021 and subsequently the Company got the approval to produce 3000 TPM (36,000 TPA) from March' 21. Generally, the plant is in good health to produce various grades of Poly Iso Butylene as per market demand.

The Company continues to enjoy the benefit from the investment made in enriching the Lean PBFS (cracked LPG). The consistent supply of high-quality feed stock from the other source from western part of country helped the Company to achieve greater operating efficiencies and other operating improvements which has resulted in a better contribution to the bottom line.

Currently your Company is having a Captive power plant which uses Paddy husk as fuel and so far, the availability of fuel is ensured through proper supply agreement with 3 suppliers. However, in long run, there will be some conditions imposed by the Pollution Board authorities to use clean fuels like LPG or LNG to operate the Boilers. Taking this into consideration, your Company is working on the viability of converting the existing Boiler to handle clean fuel(s).

Though the newly installed Effluent Treatment plant yields good result in terms of quantity and quality, the plant is not fully loaded as the effluent load has come down significantly due to improved quality of raw water.

The solar plant continues to generate power which is consumed by the main plant along with Captive power plant generation.

Your Company continues to get the following ISO certification - 9001:2015 for Quality Management system, 14001:2015 for Environmental Management system and efforts were taken to get ISO 45001:2018 for Occupational Health and Safety Management System. We expect this certification in the FY 2021-22.

All statutory requirements with regard to Petroleum and Explosives Safety Organisation (PESO), and the Directorate of Industrial Safety and Health (DISH) are met on time. All preventive and predictive maintenance are followed systematically to keep the overall plant health to be good.

Performance

For the 09th consecutive year in succession, your Company has achieved 11,312 "Accident Free" operation. The Company has been continuously imparting training to

BOARD'S REPORT

all its employees to ensure that all project execution apart from the plant operation is "Accident Free" and efficient.

Your Company achieved a record production of 25,001 MT (Previous Year - 23,906 MT) which translates to 100% capacity utilisation in terms of licenced capacity.

Thermic fluid heaters were converted into Gas fired by replacing Furnace Oil. Most of the processed Off gases are now being recovered and used as fuel in the TFH units. Earlier this was partially let out in the Flare system.

Efforts were taken and successfully started using the waste heat available in the steam condensate in the process. A significant fuel saving has been established in the CPP boiler after we started using the waste heat energy from the steam condensate.

The efforts taken to develop new applications are showing encouraging results and our new product has been positioned in the market to win the mindsets of the customers and further trials are being taking place at various new customers. As a continuity process, efforts are taken to make solid Polymers (K Vis-20) which is the preferential product over the liquid form and trials are underway with various customers.

Efforts are put forth to find value addition for the co-products of Polymer and trials are underway with customers to get their feedback.

Plant automation

The first phase of Reactor operation in Auto mode using APC philosophy has shown encouraging results and further improvements are being taken up. Product Drum filling activities are also automated which has now enhanced our ability to handle more number of drums.

Safety

General Safety Audit has been conducted during Jan 2021. Except few actions items, which needs long shutdown of the plant, all the other suggestions / recommendation given by the auditing team are completed.

Process Safety Management

A Process Safety Management (PSM) is being studied to implement in your Company during the next financial year.

Pollution and Environment compliances

The Central Pollution Control Board (PCB) has introduced "Online" monitoring and checking for the Air and Effluent parameters. Your Company has created all necessary facilities as per Pollution Control Board's direction and submitted the records confirming the statutory requirements with respect to Pollution norms. Recently PCB has strongly advised all the units to retrofit the DG sets to control the PM emission by 75% from the existing level. Your Company, at

a cost of ₹ 50 Lakhs, is doing this retrofitting and the work is expected to get completed by June 2021.

Research and Development

Various research activities are being continued in the R&D facility to improve the IB conversion percentage in the existing plant to improve the productivity and value addition for the co-products.

Conservation of Energy / Technology Absorption / Foreign Exchange Earning and Outgo:
(a) Conservation of Energy

Energy Audit was completed in February 2019 and all suggestion were reviewed and implemented during 2020-2021.

(b) Technology absorption: Nil
(c) Foreign exchange earnings and Outgo:

(₹ in Lakhs)

Sl. No.	Particulars	2020-21	2019-20
(i)	Total Foreign Exchange earned	6,983.71	4,395.12
(ii)	Total Foreign Exchange outflow	82.07	61.33

Dividend

The Board of Directors met on 24th May 2021 to take account of the full year performance, various growth opportunities, and the ongoing pandemic. After reviewing this, the Board of Directors has decided not to recommend any dividend for the year 2020 - 2021 given the projects that have been lined up and the forward expansion plans.

Board Meetings

During the year 05 Board Meetings and 04 Audit Committee Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between 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.

Share Capital

The paid-up equity share capital as on March 31, 2021 was ₹ 5,884.64 Lakhs. The Company has not issued any shares with differential voting rights nor granted stock options or sweat equity.

Directors and Key Managerial Personnel

Mr. Pranab Kumar Rudra (DIN: 00382665), Independent Director resigned with effect from 16th June 2020 and Board places on record its appreciation for his services during his tenure.

Mr. Brij Mohan Bansal (DIN: 00261063) and Mr. Gautam

BOARD'S REPORT

Roy (DIN: 06659522) have been appointed as Additional Directors in the capacity of Independent Directors of the Company on 10th August 2020 for a period of five years, subject to approval of the shareholders in this Annual General Meeting.

Mr. M. Rajavel, (DIN: 08145611) was appointed as Whole Time Director on 01st August 2018 and the Board proposes to re-appoint him for a further period of three years with effect from 01st August 2021 subject to approval of shareholders in this Annual General Meeting of the Company.

Ms. Deepa Bansal, Company Secretary of the Company resigned with effect from April 10, 2021 and Mrs. K. Priya was appointed as the Company Secretary and Compliance Officer of the Company with effect from April 11, 2021.

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 meet the criteria of their Independence laid down in Section 149(6) including the confirmations that their names have been included in the Data Bank maintained by the Indian Institute of Corporate Affairs and Mr. S. Sundarraman has cleared the online proficiency self-assessment test and all other Independent Directors were exempted from undergoing this test for the Independent Directors pursuant to Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year under review, the Independent Directors met on February 11, 2021 without the presence of Non- Independent Directors and members of the Management.

Composition of Audit Committee

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.

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

Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism named "Whistle Blower Policy" to deal with genuine concerns raised by the Directors / Employees, if any. The details of the Vigil Mechanism / Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the Company's website www.kotharipetrochemicals.com

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 approvals 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

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 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 shares by the 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as

BOARD'S REPORT

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.

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://kotharipetrochemicals.com/node/35>

AUDITORS
a) Statutory Auditor

The Statutory Auditors of the Company M/s. P. Chandrasekar LLP, Chartered Accountants (Registration No.000580S / S200066) hold office till the conclusion of the 33rd 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 2020-21.

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 maintained by the Company in respect of its Poly Iso Butylene (PIB) unit require 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 at Item No. 3 of the Notice convening this 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. V. Vasumathy, 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 qualification or observations.

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 2020 - 2021.

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 for its review and the Internal Auditor attend 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.

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 and suggestions.

BOARD'S REPORT

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

As part of its initiatives under "Corporate Social Responsibility" (CSR), the company has contributed funds for the schemes of promotion of education. The contributions in this regard have been made to the Registered Trust which is undertaking these schemes. 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 format (questionnaire) 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.

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.

Separate Meeting of Independent Directors

The Independent Directors of the Company had met during the year on 11th Feb 2021 to review the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and also assessed the quality, quantity and timeliness of flow of information between the company management and the Board without the presence of the Non-Independent Directors and members of the Management.

Disclosure about Cost Audit

Filing of Cost Audit Report	2020 - 2021	2019 - 2020
Due Date	27.09.2021	27.09.2020
Actual Date	30.08.2021 (Tentatively)	02.09.2020
Cost Auditor Details	M/s. P. Rajulyer, M. Pandurangan & Associates, M.No.27969, Chennai.	M/s. P.Rajulyer, M. Pandurangan & Associates, M.No.27969, Chennai.
Audit Qualification in Report	Nil	Nil

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 2021 - 2022 to NSE where the Company's shares are listed.

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. All applicable Secretarial Standards have been complied.

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.

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.

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.

BOARD'S 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	9.50:1
(ii)	Mr. M. Rajavel	Whole Time Director	10.10:1

- 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	3%
(iv)	Ms. Deepa Bansal (*)	Company Secretary	8%

(*)Ms. Deepa Bansal resigned with effect from 10th April 2021 from the position of Company secretary and Compliance Officer of the Company.

- c) 1.44 % increase was reported in the median remuneration of employees in the financial year 2020 - 2021.
- d) The number of permanent employees on the rolls of company as on 31st Mar 2021: 148.
- e) Average percentile increase already made in the salaries of employee's other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

Increase of remuneration for employees and KMPs varies between 3% to 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.

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 24, 2021

Nina B. Kothari
Chairperson

BOARD'S REPORT

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, 2021.

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	139.06	Permanent	08-04-2015	29	7	General Electric Company, USA	9,593 0.02%	Mr. Arjun B. Kothari is the son of Mrs. Nina B. Kothari, Chairperson of the Company
2	M. Rajavel	Whole Time Director	B.Sc.	71.41	Permanent	04-05-1997	58	35	Chemfab Alkalies Pvt. Limited	-	-
3	N. Ramakumar	GM-Finance & Accounts	FCA	34.81	Permanent	01-06-2010	56	34	Kothari Sugars and Chemicals Limited	-	-
4	S. Sivamahesh	Chief Financial Officer	M.Com., ACA	27.15	Permanent	30-01-2019	36	12	Stanadyne India Pvt Ltd	-	-
5	P. Premapiriyar	Vice President - Operation	B.E. Chemical	26.91	Permanent	01-11-2018	41	21	Oren Hydrocarbons Pvt. Ltd	-	-
6	R. Saravanan	Sr. Manager Business Devp.	B Tech Chemical, PGDM-MKRT	24.59	Permanent	08-03-2018	41	20	Wolkem India Ltd	-	-
7	K. Sreekanteshwaran	President - Legal & Taxation	B.Com.	22.24	Permanent	16-06-2011	59	10	Madras Entertainment Pvt. Ltd.	-	-
8	S.V. Ramesh	DGM-Supply Mgmt	DME	22.11	Permanent	08-10-2011	51	27	Bonfiglioli Transmissions P.Ltd.	-	-
9	G. Tamilmani	GM-Engineering & Projects	B.E. Mechanical	19.62	Permanent	27-07-2006	51	29	Design Tech. Systems	-	-
10	S. Chellappa	AGM - IT	M.C.A	19.55	Permanent	01-09-2013	53	28	Kothari Sugars and Chemicals Limited	200	-

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 fulfillment 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. The web-link on CSR policy: <http://www.kotharipetrochemicals.com/sites/default/files/kpl-csr-policy-20052019.pdf>

For the purpose of focusing its CSR efforts in a continued and effective manner, the following Eight Thrust Areas have been identified:

i) Education/Literacy Enhancement, ii) Environment Protection / Horticulture, iii) Infrastructure Development iv) Drinking water / Sanitation, v) Healthcare / Medical facility, vi) Community Development / Social Empowerment vii) Contribution to Social Welfare funds set up by Central / State Government, viii) Relief of victims on Natural Calamities

- 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/sites/default/files/kpl-csr-policy-20052019.pdf>

- 4. Details 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. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
(i)	2020 - 2021	Nil	Nil

BOARD'S REPORT**6. Average net profit of the company as per section 135(5)**

(₹ in Lakhs)

Sl. No.	For the Financial Year	Annual Net Profit
(i)	2019 - 2020	2,434.84
(ii)	2018 - 2019	1,595.65
(ii)	2017 - 2018	1,446.99
Total		5,447.48
Average Annual Net Profit		1,825.83

7. (a) Two percent of average net profit of the company as per section 135(5)

2% of Average Net Profit works out to ₹ 36.52 Lakhs.

(b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.

Nil

(c) Amount required to be set off for the financial year, if any

Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 36.52 Lakhs**8. (a) 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
₹ 36,51,656	Nil		Nil		

(b) Detail of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the Project		Project duration	Amount allocated for the Project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
No ongoing project was approved during the financial year 2020 - 2021												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the Project		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Construction of additional classrooms / staircase for the school at Kattur, Trichy	Promoting education	No	Tamil Nadu	Tiruchirappalli	₹ 36,51,656	No	HCK Educational & Development Trust	Not applicable for the year 2020 - 2021
Total						₹ 36,51,656			

BOARD'S REPORT

- (d) Amount spent in Administrative Overheads : Nil
- (e) Amount spent on Impact Assessment, if applicable : Nil
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 36,51,656
- (g) 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)	36,51,656
(ii)	Total amount spent for the Financial Year	36,51,656
(iii)	Excess amount spent for the financial year [(ii) - (i)]	0
(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)]	0

9. (a) 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 ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NA							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the Project -Completed /Ongoing
No ongoing project was undertaken during last three financial year								

10. Details relating to creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s) : 31st March 2021
- (b) Amount of CSR spent for creation or acquisition of capital asset : ₹ 36, 51,656
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Name of the Trust : HCK Educational & Development Trust
- Section 12A Registration No. : 368/2010-11
- Section 80G Registration No. : DIT(E). NO.2(341)/10-11
- Address of the Trust : No.18, Mahatma Gandhi Road, Nungambakkam, Chennai - 600 034

BOARD'S REPORT

(d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Capital asset(s) created : Constructed additional class rooms / staircase for the school at Kattur Village, Lalgudi Taluk, where one of our group company's sugar factory is Located.

Address where capital assets located : HC Kothari Balavihar Matriculation School
M/s. Kothari Sugars & Chemicals Limited - Kattur Unit Campus
Lalgudi Taluk, Trichy - 621 706.

11.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 2020 - 2021.

Place: Chennai

Date : May 24, 2021

Arjun B Kothari
Managing Director

Nina B. Kothari
Non executive Director &
Chairperson of the CSR Committee

BOARD'S REPORT

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To

The Members

KOTHARI PETROCHEMICALS LIMITED

Kothari Buildings, No. 115, Nungambakkam High Road,
Nungambakkam, 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, 2021, 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, 2021 according to the provisions of:
 - (i) The Companies Act, 2013 ("the Act") and the rules made thereunder, as applicable;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The 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;
 - (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) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
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:
 - (a) Indian Boilers Act, 1923;
 - (b) The Petroleum Act, 1934;
 - (c) The Environment Protection Act, 1986; and
 - (d) Indian 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.

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 by statutory financial audit and other designated professional.

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.

BOARD'S REPORT

- (ii) The Listing Agreements entered into by the Company with The National Stock Exchange of India Limited under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
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 the 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 the 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****V. Vasumathy**

Practising Company Secretary

Place : Chennai

FCS No.: 5424 / COP No.: 9451

Date : May 08, 2021

UDIN : F005424C000262241

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

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

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

- 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.
- 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.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- 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.
- Due to the Covid - 19 Pandemic and the restrictions faced due to the same, physical verification of documents / records have been impacted and hence reliance has been placed on the scanned / soft copies of various documents / records which were provided by the Company.

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

Practising Company Secretary

Place : Chennai

FCS No.: 5424 / COP No.: 9451

Date : May 08, 2021

Management Discussion and Analysis

Industry Structure & Development :

Polyisobutylene (PIB) is a Polymer made from a Hydrocarbon stream termed as C4 in the industry. This is available in Refinery, Naphtha cracker and MTBE crackers. This polymer has a wide variety of uses, some examples are as follows. The Automotive segments uses PIB as Fuel additive as well Lubricant additive either directly or in their derivative forms, this category will demand large volumes of PIB. Our product is also being used in Adhesive, Sealant, Masterbatch, Tyre manufacturing, Pharma, Cable Jelly, Industrial Lubricant etc. They are generally inert in nature but will react with other chemicals under certain conditions to give various derivatives. There are many types of PIB available in the market and mainly differ from each other in terms of their molecular structure which decided their degree of reactivity with other chemicals.

There is no capacity addition of PIB in any of the global manufacturers. Refineries are expected to go for lesser production of Group-1 Base oil which we believe will pave the way to improve the demand for PIB as it is used as viscosity modifier. The JV arrangement between two PIB manufacturers located in different part of the globe to produce HR-PIB will be for their in-house consumption, and we do not anticipate major competition from this entity.

Due to the pandemic, domestic demand over the last year was low however we capitalized on the increased international demand. We began to see improvement in domestic demand towards the last quarter and we believe with the spike in personal transportation we will see the demand stabilize towards the end of the year and begin to increase going into the next year. The global economy is in an unprecedented crisis, and the demand forecasts for PIB demand globally are erratic. Major refineries started making more of high margin petroleum products rather than making their normal product mix which has created a short supply situation for Group-1 Base Oil for many Lubricant manufacturers. This factor has driven the PIB demand in the last quarter to a significant level. Over and above the increased demand the storm in Texas USA in February-March 2021 has affected a number of our competitors displacing their production plans and adding to the demand of PIB for the short term.

There has been an impact on the Company's performance in the 1st two quarters of the year on account of the Covid-19 pandemic and this was to some extent made up in the subsequent quarters.

Outlook :

Kothari Petrochemicals Limited (KPL) remains an active PIB manufacturer in India during the year 2020 - 2021 with a licensed capacity of 24,000 MT per year and meets around 80% of the domestic demand of conventional PIB. Your Company has got statutory approval to enhance the capacity to 36,000 Mt per year and we aim to complete this transition over the course of the next year with a commissioning by Q2 of the next financial year.

KPL has established its supply in China and South East Asia market in a large way when the domestic demand was subdued during the pandemic period and the product has been well accepted in Adhesive segment. We intend

to continue this supply in the future with our expanded capacities.

Opportunities :

PIB is used as a viscosity modifier, the demand for high Molecular Weight PIB is expected to go up in the coming periods and KPL is focusing to tap such demand to capitalize the opportunity. Industrial marketing survey reports indicate that the PIB demand in Sealant and adhesive segment will grow by 7% CAGR and KPL is monitoring closely the demand growth and keeps some spare volume to capture the market.

Application of PIB in Tyre industry is gradually being accepted and in the long run PIB demand in this segment will play a significant role for our company. KPL has already established its supply of PIB to one of the leading Tyre manufacturers and taking efforts with others.

Many derivatives of PIB are widely used in India and our company is developing unique application-based products for these segments.

Risks, Concerns & Threats :

The consistency in supply of the desired quality of raw materials from the nearby Government refinery continues to be a concern for the industry because of their frequent changing of operational conditions for various product mix.

The PIB demand in general was low due to the pandemic and added to that, the global logistics underwent a great amount of turbulence. Lot of uncertainties in vessel berthing / arrival / getting space slots etc. also increased the ocean freight for many destinations.

Operating the plant at its full capacity continuously is a threat today due to lot of restrictions imposed by Government on man power utilization and movement of employee due to Covid. Added to this threat, our employees or their dependents are also getting affected due to Covid which causes concern given the cascading effect on the availability of man power to operate the plant.

The volatility in Indian Currency against USD remains a concern for KPL as it has impact in the raw material price and selling price given our long term contractual commitments.

Internal Control Systems and their adequacy :

The Company has established system of internal control across all its business operations and for safeguarding the Assets. Periodic Auditing of all key areas are taking place and the Audit report is being thoroughly reviewed by the Board and the Management ensure that the internal control system operates effectively within the organization.

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

Human Resources / Industrial Relations :

Human resources are the most important resources in an organization and needs to be used efficiently, because success, stability and growth of an organization depends

Management Discussion and Analysis

on its ability in acquiring, utilizing and developing the human resources for the benefit of the organization. In the final analysis, it is the people (i.e. employees) who produce results and generate a climate conducive to the growth and development of the organization.

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

During the year, the 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.

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.

Total number of employees as on 31st March 2021 was 148 in respect of petrochemical operations.

Operational Performance :

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Number of days operated:		
Plant 1	313 days	350 days
Plant 2	339 days	349 days
Total Production in Metric Tons	25,001 MT	23,906 MT
Plant Capacity utilization (basis: Kvis 10 operation)	100%	99.6%
Accident free operation	365 days	365 days

Financial Performance :

The Company has reported total operating income of ₹ 22,889.52 lakhs for the year ended 31.03.2021 as compared to ₹ 27,315.46 lakhs for the year ended 31.03.2020. The Company's profit after tax (PAT) for the financial year 2020 - 2021 is ₹ 2,254.36 lakhs as against ₹ 1,832.91 lakhs in 2019 - 2020.

Key Ratios

Description	U/M	2020-21	2019-20	Remarks
Debtors Turnover	Days	29.38	29.62	Collection on credit customer of PIB mildly affected due to COVID 19.
Inventory Turnover	Days	40.70	22.46	Higher sales and increase in FG stock. Due to covid 19 - Sales for the last week of the previous year was not carried out.
Interest coverage Ratio	Times	36.40	12.21	Due to Lower interest cost due to repayment of Term loans and lower utilization of working capital.
Debt Equity Ratio		0.04:1	0.10 :1	Repayment of Long-term Loans and improved profitability.
Operating Profit Margin	%	13.75	8.38	Major factors like 1. Higher volume of production which improved fixed cost overhead recovery 2. Lower Utility costs 3. No RLPG Sales which prevented the loss.
Net Profit Margin %	%	9.85	6.71	Due to higher Operating Margin.
Return on Networth	%	18.36	18.35	Improved Profitability.

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

Place : Chennai
Date : May 24, 2021

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 Board consists of Seven Directors as on the date of this Report. Mr. Brij Mohan Bansal and Mr. Gautam Roy were appointed as Independent Directors with effect from 10th August 2020. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors met five times during the year on 16th June 2020, 10th Aug 2020, 04th Nov 2020, 27th Jan 2021 and 11th Feb 2021.

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

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

Composition of the Board and Directorship held as on 31st March 2021:

Name of the Director	Director Category	No. of Board Meetings Attended	Attendance of previous AGM held on Aug 10, 2020	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	5	Yes	15	-	-	62,57,500
Mr. Arjun B. Kothari	Promoter & Managing Director	5	Yes	16	1	1	9,593
Mr. M. Rajavel	Whole Time Director	5	Yes	-	-	-	Nil
Mr. S. Sundarraman	Independent	5	Yes	-	-	-	4,000
Mr. V.V. SuryaRau	Independent	5	Yes	-	-	-	Nil
Mr. Brij Mohan Bansal (*)	Independent	4	N.A	01	-	-	Nil
Mr. Gautam Roy (*)	Independent	4	N.A	-	-	-	Nil

*Mr. Brij Mohan Bansal and Mr. Gautam Roy were appointed as Independent Directors w.e.f Aug 10, 2020.

Notes:

- 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 son of Mrs. Nina B Kothari, Chairperson of the Company. None of the other Directors are related inter se in any manner.

Familiarisation programme for Independent Directors

A Familiarisation Programme for Independent Directors of the Company was conducted on or before completion of Board Meetings and the details of such familiarisation programmes are disseminated on the website of the Company viz. www.kotharipetrochemicals.com

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

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

The Board of Directors have identified the following core skills, expertise and competencies in the context of the

CORPORATE GOVERNANCE

Company's business and sector for it to function effectively which are given below:

The Board of Directors shall possess hands on expertise on technical, academic skills, general management, global business, technology, manufacturing/operations, risk management etc. The Board of 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.
(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 twenty-five years of experience in the field of audit, taxation (particularly international taxation) 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 around 46 years of experience in Oil and Gas sector in areas spanning Business Development, R&D, Refining and Technical Services. Bansal has served on Boards of many leading Petrochemical Companies. Past Chairman of the Indian Oil Corporation.
(vii)	Gautam Roy	Technocrat having more than 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.

Mr. Pranab Kumar Rudra, Independent Director resigned from the Board of Directors of the Company with effect from June 16, 2020 due to age factor and health reasons. Also, the Company has received reason and confirmation from Mr. Pranab Kumar Rudra, indicating that there was no other material reason for his resignation other than the age factor and health reasons.

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 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.

CORPORATE GOVERNANCE
AUDIT COMMITTEE

Due to resignation of Mr. Pranab Kumar Rudra, Chairman of Audit Committee, the Board of Directors at the meeting held on August 10, 2020 reconstituted the Audit Committee. The attendance of each Director in the Audit Committee meeting held during the year ended 31st March 2021 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	03	03
(iv)	Mr. Gautam Roy (*)	Member	03	03
(v)	Mr. Pranab Kumar Rudra(*)	Chairman	01	01

*Mr. S. Sundarraman, Independent Director was elected as Chairman of Audit Committee on Aug 10, 2020. Mr. Brij Mohan Bansal and Mr. Gautam Roy was inducted as Member of Audit Committee on Aug 10, 2020. Mr. Pranab Kumar Rudra, Chairman of Audit Committee (Independent Director) resigned due to health reasons from the office of directorship with effect from June 16, 2020.

The Chairman of the Audit Committee resigned his directorship with effect from June 16, 2020 due to health reasons. Hence Mr. Sundarraman, a member of the Audit Committee (Independent Director) was nominated to address the queries of the shareholders at the Annual General Meeting of the company held on 10th August 2020. The Audit Committee met four times during the year on June 16, 2020, Aug 10, 2020, Nov 04, 2020 & Jan 27, 2021.

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. Due to resignation of Mr. Pranab Kumar Rudra, Chairman of Nomination and Remuneration Committee, the Board of Directors at the meeting held on August 10, 2020 reconstituted the Nomination and Remuneration Committee. The Company Secretary is the secretary to the Committee. The Chairman of the Nomination and Remuneration Committee resigned his directorship with effect from June 16, 2020 due to health reasons. Hence Mr. Sundarraman, a member of the Committee (Independent Director) was nominated to address the queries of the shareholders at the Annual General Meeting of the company held on 10th August 2020.

The attendance of each Director in the Nomination and Remuneration Committee meeting held during the year ended 31st March 2021 is as follows:

Sl. No.	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
(i)	Mr. S. Sundarraman (*)	Chairman	03	03
(ii)	Mrs. Nina B. Kothari	Member	03	03
(iii)	Mr. V.V. SuryaRau (*)	Member	02	01

*Mr. S. Sundarraman, Independent Director was elected as Chairman of Nomination and Remuneration Committee on Aug 10, 2020. Mr. V. V. SuryaRau was inducted as Member of Nomination and Remuneration Committee on Aug 10, 2020.

The Committee met three times during the year on Aug 06, 2020, Oct 16, 2020 and Feb 10, 2021.

Remuneration Policy
Policy for selection and Appointment of Directors / KMP 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 and their remuneration.

Criteria of selection of Non-Executive Directors

- 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
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board, the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.

CORPORATE GOVERNANCE

- 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.

Currently, the Non-executive directors of the company are not being paid any commission. 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

Details of Sitting Fees paid during the financial year 2020 - 2021

(Amount in ₹)

Name of the Directors	Sitting Fees Paid					
	Board Meeting	Audit Committee	CSR Committee	Nomination and Remuneration Committee	Independent Director Meeting	Total
Mrs. Nina B. Kothari	1,50,000	N.A	10,000	30,000	N.A	1,90,000
Mr. S. Sundarraman	1,50,000	80,000	10,000	30,000	10,000	2,80,000
Mr. V. V. SuryaRau	1,50,000	80,000	N.A	10,000	10,000	2,50,000
Mr. Brij Mohan Bansal (*)	1,20,000	60,000	N.A	N.A	10,000	1,90,000
Mr. Gautam Roy (*)	1,20,000	60,000	N.A	N.A	10,000	1,90,000
Mr. Pranab Kumar Rudra(*)	30,000	20,000	N.A	N.A	N.A	50,000
Total	7,20,000	3,00,000	20,000	70,000	40,000	11,50,000

(*) Mr. Brij Mohan Bansal and Mr. Gautam Roy were appointed as Independent Directors w.e.f. Aug 10, 2020. Mr. Pranab Kumar Rudra Independent Director resigned from the office of Directorship with effect from Jun 16, 2020. The other transactions with non-executive directors' vis-à-vis the company during the Financial Year ended 31st March, 2021 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.

The Committee met 04 times during the year 2020 - 2021. 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 31st March 2021 is as follows:

Sl. No.	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
(i)	Mrs. Nina B.Kothari	Chairperson	04	04
(ii)	Mr. Arjun B.Kothari	Member	04	04
(iii)	Mr. S. Sundarraman	Member	04	04

The Chairperson of the Stakeholders' Relationship Committee was present at the previous Annual General Meeting of the Company held on August 10, 2020.

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 transfers / transmissions and accordingly, the Stakeholders Relationship Committee or the Company Secretary approve the transfer / transmission of shares generally on a fortnight basis. The committee also reviews the performance of the Registrar and Share Transfer Agents. No Complaints received from the Shareholder(s) / Department(s) during the financial year 2020-2021.

CORPORATE GOVERNANCE

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 from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Ms. Deepa Bansal, Company Secretary was the Compliance Officer of the Company. For any clarification / complaint the shareholders may contact the Secretarial Department at the Registered Office of the company.

General Body Meetings:

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

Year / Date / Day / Time	Venue
2019 - 2020 August 10, 2020, Monday, 10.00 A.M.	The Annual General meeting was 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
2018 - 2019 August 06, 2019, Tuesday, 10.30 A.M.	The Music Academy, Mini Hall, Old No. 306, New No.168, T.T.K. Road, Chennai - 600 014.
2017 - 2018 July 30, 2018, Monday, 10.00 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 10, 2020	Yes	Re-appointment of Mr. Arjun B. Kothari as Managing Director of the Company
Aug 06, 2019	No	-
Jul 30, 2018	Yes	(i) Appointment of Mr. M. Rajavel as Whole Time Director of the Company. (ii) Re-appointment of Mr. Pranab Kumar Rudra, Independent Director of the Company.

No special resolution was passed by the shareholders of the company through postal ballot during the year 2020 - 2021.

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.kotharipectrochemicals.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 updations of its website. The Company has designated email-id kplcs@hckgroup.com and 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 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

Day, Date and Time	Thursday, 29 th July 2021 @ 11:00 A.M.
Venue	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.

CORPORATE GOVERNANCE

b) Financial Calendar of the Company

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

Results for Quarter ending 30 th June, 2021	First fortnight of August, 2021
Results for Quarter ending 30 th September, 2021	First fortnight of November, 2021
Results for Quarter ending 31 st December, 2021	First fortnight of February, 2022
Results for Quarter ending 31 st March, 2022	Last Week of May, 2022

c) Date of Book Closure

The period of Book Closure is fixed from 23rd July 2021 to Thursday, 29th July 2021 (both days inclusive).

d) 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 2021 - 22 has been paid. (Stock Code: KOTHARIPET), ISIN: INE720A01015.

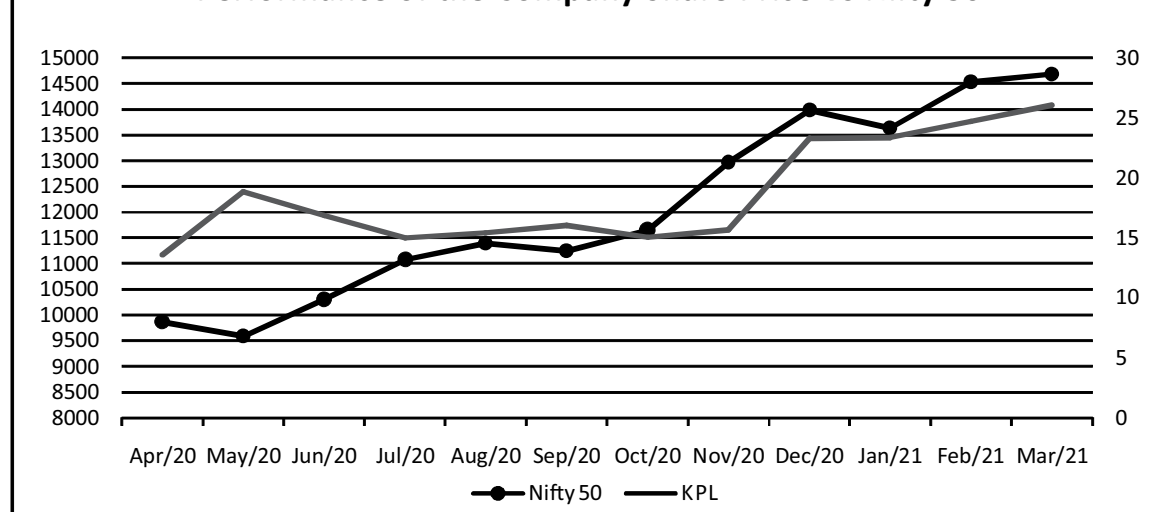
e) Details of the outstanding ADRs / GDRs / Warrants or Convertible Instruments: Nil

f) Stock Market Data

(Amount in ₹)

FY 2020-21	Kothari Petrochemicals Limited Share Price			Nifty 50		
Month	High	Low	Volume of shares traded	High	Low	Volume of shares traded
Apr 2020	14.95	10.20	2,00,235	9,889.05	8,055.80	12,74,42,65,079
May 2020	21.80	11.20	21,77,088	9,598.85	8,806.75	13,67,56,92,138
Jun 2020	19.50	13.75	18,04,971	10,553.15	9,544.35	16,77,87,38,081
Jul 2020	17.00	14.65	8,69,330	11,341.40	10,299.60	14,64,00,24,527
Aug 2020	17.20	14.40	8,53,039	11,794.25	10,882.25	14,03,55,10,557
Sep 2020	18.05	14.70	9,13,690	11,618.10	10,790.20	13,44,61,77,198
Oct 2020	16.65	14.15	6,50,165	12,025.45	11,347.05	11,60,24,72,612
Nov 2020	16.40	14.40	11,81,639	13,145.85	11,557.40	13,11,24,26,625
Dec 2020	23.30	15.85	31,24,181	14,024.85	12,962.80	12,07,74,86,299
Jan 2021	26.00	21.75	33,70,322	14,753.55	13,596.75	13,01,97,28,298
Feb 2021	25.10	22.55	18,15,710	15,431.75	13,661.75	14,31,39,21,415
Mar 2021	31.75	24.55	26,40,903	15,336.30	14,264.40	11,35,68,26,917

Performance of the Company Share Price Vs Nifty 50



CORPORATE GOVERNANCE
g) Distribution of Shareholding as on 31st March 2021

(Amount in ₹)

₹ of Equity shares held	No. of Shareholders	Amount of Shares
Upto 5000	9,019	1,79,83,700
5001-10000	1,477	1,31,04,380
10001-20000	560	93,00,350
20001-30000	183	47,68,810
30001-40000	98	35,84,760
40001-50000	113	54,24,200
50001-100000	126	96,19,350
100001 and above	173	52,46,78,450
Total	11,749	58,84,64,000

h) 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 31st March 2021, the aggregate of shares held by investors in both physical form and in electronic form with the depositories are reconciled. 5,73,97,868 equity shares representing 97.53% of the paid-up equity share capital have been dematerialized as on 31st March 2021.

Company Share Transfer Agent
M/s. Cameo Corporate Services Limited Unit: Kothari Petrochemicals Limited Subramanian Building, 5 th Floor, No.1, Club House Road, Chennai - 600 002. Telephone Nos. 044 - 2846 0390 (5 Lines) Fax No. 044 - 2846 0129. e-mail: investor@cameoindia.com

i) 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.

j) 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.

k) Plant Location

Manali	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.
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l) Address for Correspondence

Company's Registered Office
The Company Secretary Kothari Petrochemicals Limited Kothari Buildings, 115, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034. Tel Nos. 044 - 3022 5616, 3022 5507 Fax Nos. 044 - 2833 4560 e-mail : secdept@hckgroup.com

m) Credit Rating and revision thereto

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

S. No.	Scale	Amount (₹ in Crores)	Rating
(i)	Long Term rating for ODCC / Term Loan	40.00	[ICRA] A (stable) [pronounced as ICRA A]
(ii)	Short Term rating for Bank Guarantee	15.00	[ICRA] A1 [pronounced as ICRA A one]

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

CORPORATE GOVERNANCE

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 behavior. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee directly. The Company affirms that no personnel have 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

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) Regulation, 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 28th Annual General Meeting held on 07th September 2017 have appointed M/s. P. Chandrasekar LLP, Chartered Accountants as the Statutory Auditor of the Company and to hold office till the conclusion of the 33rd Annual General Meeting 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 2020-21 to M/s. P. Chandrasekar LLP, Chartered Accountants, is given below:

SI No.	Description of the Service	Fees (Amount in Rs.)
(i)	Statutory Audit	3,00,000
(ii)	Limited Review Report	1,50,000
(iii)	Other Certification	55,000
	Total	5,05,000

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 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 Statutory Authority.

Disclosure as required under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- (a) Number of complaints filed during the financial year : Nil
- (b) Number of complaints disposed of during the financial year : Nil
- (c) Number of complaints pending as on end of the financial year : Nil

Code of Conduct for the Board of Directors and the Senior Management

The standards for business conduct provide that the Directors and the Senior Management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website www.kotharipetrochemicals.com. As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2020 - 2021.

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

Place : Chennai
Date : May 24, 2021

Nina B. Kothari
Chairperson

CORPORATE GOVERNANCE
**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, 2021.

for **Kothari Petrochemicals Limited**

Place : Chennai
Date : May 24, 2021

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, 2021 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 24, 2021

Arjun B. Kothari
Managing Director

S. Sivamahesh
Chief Financial Officer

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the **Members of Kothari Petrochemicals Limited**

I have examined the compliance of conditions as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Corporate Governance by Kothari Petrochemicals Limited, for the year ended March 31, 2021.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

CORPORATE GOVERNANCE

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.

Due to the Covid - 19 Pandemic and the restrictions faced due to the same, physical verification of documents / records have been impacted and hence reliance has been placed on the scanned / soft copies of various documents / records which were provided by the Company.

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

V.Vasumathy

Practising Company Secretary

FCS No. 5424 / COP No. 9451

UDIN : F005424C000262252

Place : Chennai

Date : May 08, 2021

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34 (3) and Schedule V of Securities and Exchange Board of India
(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, Sub-clause 10 (i) of the Securities and Exchange Board of India (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, 2021, 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
4.	Mr. Brij Mohan Bansal	00261063	10.08.2020
5.	Mr. Gautam Roy	06659522	10.08.2020
6.	Mr. Pranab Kumar Rudra	00382665	18.09.2009 (Resigned on 16.06.2020)
7.	Mr. Sitharaman Sundarraman	01032768	22.11.2017
8.	Mr. Velamuri Venkata Suryarau	00010274	20.05.2019

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.

Due to the Covid - 19 Pandemic and the restrictions faced due to the same, physical verification of documents / records have been impacted and hence reliance has been placed on the scanned / soft copies of various documents / records which were provided by the Company.

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

V. Vasumathy

Practising Company Secretary

FCS No. 5424 / COP No. 9451

UDIN : F005424C000262296

Place: Chennai

Date : May 08, 2021

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2021

To the **Members of Kothari Petrochemicals Limited**
REPORT ON THE AUDIT OF THE INDIAN ACCOUNTING STANDARDS (IND AS) FINANCIAL STATEMENT

Opinion

1. We have audited the accompanying Ind AS Financial Statements of **Kothari Petrochemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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.
2. 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, 2021, and total comprehensive income (Comprising of Profit and other Comprehensive Income), changes in Equity and its Cash Flows for the year then ended.

Basis for Opinion

3. 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

4. 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	Quantity of raw materials 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 & 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.	Our audit procedures included: <ul style="list-style-type: none"> ➤ Assessment of controls over ascertaining the quantity of purchase for which payment is made. ➤ Assessment of controls over calibration system of the weighing equipment. ➤ Assessment of controls over periodical stock - take and the related procedures.

Other Information

5. 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

AUDITORS' REPORT

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, 2016 ("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.

AUDITORS' REPORT

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, 2021 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 financial 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.

For P. CHANDRASEKAR LLP
 Chartered Accountants

S. Raghavendhar
 Partner

M. No.: 244016

UDIN: 21244016AAAACQ5108

Place: Chennai
 Date : 24th May 2021

AUDITORS' REPORT**Annexure "A" to the Independent Auditor's Report for the year ended 31st March 2021**

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, 2021.

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, 2021 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;

AUDITORS' REPORT

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, 2021, 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

S. Raghavendhar
Partner

M. No.: 244016

UDIN: 21244016AAAACQ5108

Place: Chennai

Date : 24th May 2021

Annexure - B to the Independent Auditors' Report for the year ended 31st March 2021

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, 2021

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
- b. As explained to us, the property, plant and equipment are physically verified by the Management at regular 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.
- ii. The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are 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 to any company 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.

AUDITORS' REPORT

- 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 in respect of statutory dues:
- a. the Company is regular in depositing with the appropriate authorities the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess, Goods and Service Tax to the appropriate authorities. There were no undisputed amounts payable which were in arrears as at 31st March 2021 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 31st March 2021.
- viii. 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 financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments).
- x. 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.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. 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 specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For P. CHANDRASEKAR LLP
Chartered Accountants

S. Raghavendhar
Partner

Place: Chennai
Date : 24th May 2021

M. No.: 244016
UDIN: 21244016AAAACQ5108

BALANCE SHEET AS AT MARCH 31, 2021

(₹ in Lakhs)

	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
I	ASSETS			
	Non-Current Assets			
	Property, Plant and Equipment	2(a)	7,752.41	7,950.80
	Capital work-in-progress	2(b)	252.82	16.14
	Investment Property	3	1,608.31	1,634.21
	Other Intangible assets	4(a)	115.14	120.49
	Right-of-use assets	4(b)	138.60	194.26
	Financial assets:			
	(i) Other financial assets	5	257.04	236.79
	Other non-current assets	12	6.88	5.92
			10,131.20	10,158.61
	Current Assets			
	Inventories	6	1,765.42	1,102.07
	Financial assets:			
	(i) Investments	7	1,530.32	400.00
	(ii) Trade receivables	8	1,880.88	2,094.53
	(iii) Cash and cash equivalents	9(a)	1,277.69	34.96
	(iv) Bank balance other than (iii) above	9(b)	200.85	200.72
	(v) Loans	10	11.78	10.63
	(vi) Other financial assets	5	35.93	121.57
	Current tax assets (net)	11	1.39	40.25
	Other current assets	12	231.90	421.31
			6,936.16	4,426.04
	Total Assets		17,067.36	14,584.65
II	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	13(a)	5,918.68	5,918.68
	Other equity	13(b)	6,393.95	4,102.81
	Total Equity		12,312.63	10,021.49
	Liabilities			
	Non-Current Liabilities			
	Financial liabilities			
	Borrowings	14	120.56	5.49
	Lease Liability	4(b)	163.63	207.15
	Deferred tax liabilities(Net)	15	933.02	873.37
			1,217.21	1,086.01
	Current Liabilities			
	Financial liabilities			
	Borrowings	14	-	33.15
	Trade payables	16		
	dues of micro enterprises and small enterprises		66.35	26.23
	dues of creditors other than micro enterprises and small enterprises		2,808.54	2,469.69
	Other financial liabilities	17	357.28	727.82
	Other current liabilities	18	102.78	93.99
	Provisions	19	202.57	126.27
	Total Current Liabilities		3,537.52	3,477.15
	Total Equity and Liabilities		17,067.36	14,584.65
	Notes 1 to 40 form an integral part of these Financial Statements			

 For and on behalf of the Board of Directors of
Kothari Petrochemicals Limited
Arjun B. Kothari
 Managing Director

K. Priya
 Company Secretary

 Place : Chennai
 Date : May 24, 2021

S. Sundarraman
 Director

Sivamahesh. S
 Chief Financial Officer

 As per our report of even date attached
For P. Chandrasekar LLP
 Chartered Accountants
 FRN : 000580S/S200066

S. Raghavendhar
 Partner
 Membership No.244016

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2021

(₹ in Lakhs)

	Particulars	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
I	Revenue from Operations	20	22,889.52	27,315.46
II	Other Income	21	387.91	288.14
III	Total Income(I+II)		23,277.43	27,603.60
IV	Expenses			
	Cost of materials consumed	22	12,696.86	17,319.09
	Changes in inventories of finished goods	23	160.39	(125.44)
	Employee benefit expenses	24	1,695.73	1,459.82
	Finance cost	25	88.91	204.27
	Depreciation & amortisation expense	26	550.67	553.92
	Other expenses	27	4,937.22	5,901.63
	Total Expenses		20,129.78	25,313.29
V	Profit before exceptional items and tax (III-IV)		3,147.65	2,290.31
VI	Exceptional items (VAT Refund pertaining to 2013-14 & 2014-15)		-	(144.53)
VII	Profit Before Tax		3,147.65	2,434.84
VIII	Tax Expense	28		
	a) Current tax		848.75	541.46
	b) Deferred tax		44.54	60.47
IX	Profit for the period from continuing operations (VII-VIII)		2,254.36	1,832.91
X	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	(i) Re-measurement gains/(losses) on defined benefit plans		51.89	0.20
	(ii) Income tax effect on above		(15.11)	(0.06)
	Total Other Comprehensive Income		36.78	0.14
XI	Total Comprehensive Income for the year (IX+X)		2,291.14	1,833.05
	Earnings per equity share	29		
	Basic (₹)		3.83	3.11
	Diluted (₹)		3.83	3.11
	Notes 1 to 40 form an integral part of these Financial Statements			

 For and on behalf of the Board of Directors of
Kothari Petrochemicals Limited
Arjun B. Kothari
 Managing Director

S. Sundarraman
 Director

 As per our report of even date attached
For P. Chandrasekar LLP
Chartered Accountants
FRN : 000580S/S200066
K. Priya
 Company Secretary

Sivamahesh. S
 Chief Financial Officer

S. Raghavendhar
 Partner
 Membership No.244016

 Place : Chennai
 Date : May 24, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2021

A. Equity Share Capital		(₹ in Lakhs)	
Particulars	As at 1 st April 2020	Changes in equity share capital during the year	As at 31 st March 2021
Equity share capital	5,918.68	-	5,918.68
B. Other Equity			
Particulars	Reserves and Surplus		Total
	Capital reserves	Retained earnings	Items of Other Comprehensive Income Other items
Balance as at 1 st April 2019	0.40	2,631.52	(2.31)
Profit for the year	-	1,832.91	-
i) Dividend (Dividend per share Re.0.50)	-	(294.23)	-
ii) Tax paid thereon	-	(60.48)	-
iii) Re-measurement of defined benefit plan	-	-	0.14
iv) Effect of measuring Lease assets	-	-	(5.14)
Balance as at 31 st March 2020	0.40	4,109.72	(7.31)
Profit for the year	-	2,254.36	-
Re-measurement of defined benefit plan	-	-	36.78
Balance as at 31 st March 2021	0.40	6,364.08	29.47

Notes 1 to 40 form an integral part of these financial statements

 For and on behalf of the Board of Directors of
Kothari Petrochemicals Limited
Arjun B. Kothari
 Managing Director

S. Sundarraman
 Director

 As per our report of even date attached
For P. Chandrasekar LLP
 Chartered Accountants
 FRN : 000580S/S200066

K. Priya
 Company Secretary
 Place : Chennai
 Date : May 24, 2021

Sivamahesh. S
 Chief Financial Officer

S. Raghavendhar
 Partner
 Membership No.244016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,147.65	2,434.84
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	550.67	553.92
Operating lease rentals from Investment Property	(185.25)	(190.85)
Interest income	(18.98)	(17.13)
Gain on Investments (net)	(24.74)	-
Interest accrued on FD	(3.27)	-
(Gain)/loss on sale of Property, Plant and Equipment	1.88	(0.23)
Unrealised foreign exchange differences(Gain)/loss (net)	2.83	(8.70)
Finance cost / Financial guarantee expenses	34.74	164.28
Interest provision on Lease liability	20.72	25.51
Operating profit before working capital changes	3,526.25	2,961.64
Adjustments for changes in working capital:		
(Increase)/decrease in operating assets-		
Inventories	(663.35)	(88.49)
Trade receivable	210.82	140.64
Financial assets-loans	(1.15)	(4.76)
Financial assets-others	68.67	8.24
Other Assets	188.47	154.13
Increase/(decrease) in operating liabilities-		
Trade payables	378.94	178.88
Financial liabilities-others	47.80	(96.03)
Other liabilities	136.97	(41.96)
	3,893.42	3,212.29
Less:Taxes paid	809.89	562.68
Net cash from / (used in) operating activities	3,083.53	2,649.61
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of assets (including capital work-in-progress)	(510.12)	(199.55)
Redemption / (Purchase) of investments	(1,105.58)	(400.00)
Proceeds on sale of Property, Plant and Equipment	6.20	4.21
Margin money with bank/ Dividend account	(0.13)	1.93
Operating lease rentals from Investment Property	185.25	190.85
Interest received	18.98	17.13
Net cash from / (used in) investing activities	(1,405.40)	(385.43)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	250.00	-
Repayment of long term borrowings	(553.27)	(521.83)
Payment of Lease Liability	(64.24)	(73.41)
Dividend paid	-	(294.23)
Dividend distribution Tax paid	-	(60.48)
Finance cost / Financial guarantee expenses	(34.74)	(164.28)
Net cash from / (used in) financing activities	(402.25)	(1,114.23)
D. NET CASH FLOWS DURING THE YEAR(A+B+C)	1,275.88	1,149.95
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1.81	(1,148.14)
Cash & Bank balances	34.96	549.38
Cash Credit balance	(33.15)	(1,697.52)
F. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR(D+E)	1,277.69	1.81
Cash & Bank balances	1,277.69	34.96
Cash Credit balance	-	(33.15)

Notes 1 to 40 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).

For and on behalf of the Board of Directors of

Kothari Petrochemicals Limited
Arjun B. Kothari
 Managing Director

K. Priya
 Company Secretary

 Place : Chennai
 Date : May 24, 2021

S. Sundarraman
 Director

Sivamahesh. S
 Chief Financial Officer

As per our report of even date attached

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

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 1
CORPORATE OVERVIEW

Kothari Petrochemicals Limited (referred to as “KPL” or the “Company”) is the Manufacturers 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 31st March 2021 have been approved for issue by the Board of Directors of the Company on 24th May 2021 and are subject to adoption by the shareholders in the ensuing Annual General Meeting.

SIGNIFICANT 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 within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, 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 fair value measurements are observable and the significance of the inputs to the fair value 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 recognised 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.
- Rental income is accounted on accrual basis.
- Insurance claims are accounted on the basis of claims admitted or expected to be 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.

4. Leases :

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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, except where the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

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 recognised 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 annual 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 recognised 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 recognised for all taxable temporary differences. Deferred tax assets are recognised 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 utilised.

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 recognised in Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised 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 derecognised. All other repairs and maintenance costs are recognised in Statement of Profit and Loss as incurred.

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	10-40 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.

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 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 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS**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 approved valuer.

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 recognised 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.

Softwares and licenses are amortized over useful life of 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 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 recognised and derecognised 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 recognised financial assets are subsequently measured in their entirety at amortized cost or fair value, depending on the classification of the financial assets.

(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

NOTES FORMING PART OF FINANCIAL STATEMENTS

- 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 recognised 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 recognised 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 recognised 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.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Derecognition 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, whereby 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.

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 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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.

Estimation of uncertainties relating to COVID-19. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the operations. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including industry related information. The Company based on current estimates expects the carrying amount of all its assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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 fair value 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. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

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.

21. Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III

of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

A. Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

B. Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law for the applicable cases.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Note - 2 a): Property, Plant and Equipment

Gross block	Land Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total
As at 1 st April 2020	278.47	2,114.27	6,514.88	65.75	181.39	90.18	158.62	9,403.56
Additions	-	-	175.31	11.61	3.41	9.92	47.41	247.66
Disposal	-	-	-	-	-	-	18.30	18.30
As at 31 st March 2021	278.47	2,114.27	6,690.19	77.36	184.80	100.10	187.73	9,632.92
Accumulated depreciation/amortisation								
As at 1 st April 2020	-	454.09	777.98	22.02	70.13	80.44	48.10	1,452.76
For the year	-	120.82	253.20	8.15	31.18	2.21	22.40	437.96
Deduction on disposal	-	-	-	-	-	-	10.21	10.21
As at 31 st March 2021	-	574.91	1,031.18	30.17	101.31	82.65	60.29	1,880.51
Net block								
As at 31 st March 2020	278.47	1,660.18	5,736.90	43.73	111.26	9.74	110.52	7,950.80
As at 31 st March 2021	278.47	1,539.36	5,659.01	47.19	83.49	17.45	127.44	7,752.41

Note - 2 b): Capital work-in-progress

Particulars	As at 31 st March 2021	As at 31 st March 2020
Capital work-in-progress	252.82	16.14
	252.82	16.14

NOTES FORMING PART OF FINANCIAL STATEMENTS**Note - 3: Investment Property (IP)**

(₹ in Lakhs)

Particulars	Land	Building	Total
Gross block			
As at 1st April 2020	217.41	1,539.70	1,757.11
Additions	-	-	-
Disposals	-	-	-
As at 31st March 2021	217.41	1,539.70	1,757.11
Accumulated depreciation			
As at 1st April 2020	-	122.90	122.90
Depreciation for the period		25.90	25.90
As at 31st March 2021	-	148.80	148.80
Net block			
As at 31st March 2020	217.41	1,416.80	1,634.21
As at 31st March 2021	217.41	1,390.90	1,608.31

Information regarding income and expenditure of investment property

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Operating lease rentals from Investing Property	185.25	190.85
Direct expenses:		
contribute to the rental income (including repairs and maintenance)	13.03	13.03
Profit before depreciation and indirect expenses	172.22	177.82
Less: Depreciation	25.90	25.90
Profit before indirect expenses	146.32	151.92

Fair value of Investment Property

The fair value of the Company's total investment property as at 31st March 2021 is ₹ 2,504.34 lakhs (₹ 2,310.92 lakhs as at 31st March 2020). The valuation has been carried out by Mr.Khatib Ahmed, Chartered Engineer, approved and independent valuer, not related to the Company.

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 4(a): Intangible Assets

(₹. in Lakhs)

Software and licences	
Gross block	
As at 1 st April 2020	141.28
Additions	25.81
Disposals	-
As at 31st March 2021	167.09
Accumulated depreciation	
As at 1 st April 2020	20.79
Depreciation for the period	31.16
Reversal on disposal of assets	-
As at 31st March 2021	51.95
Net block	
As at 31st March 2020	120.49
As at 31st March 2021	115.14

Note - 4(b):

Right-of-use assets :	
As at 1 st April 2020	194.26
Additions	-
Disposals	-
Depreciation	55.66
As at 31st March 2021	138.60

Lease Liability :	
As at 1 st April 2020	207.15
Additions	-
Disposals	-
Interest Expense accrued	20.72
Payment of Lease liabilities	64.24
As at 31st March 2021	163.63

Note :

"Effective 1st April 2019, Company has recognised right of use of assets (an amount equal to the lease liability) of ₹ 249.92 lakhs. During the year 2020-21, operating lease expenses has changed from rent (included in Other expenses) to depreciation cost (₹ 55.66 lakhs) for the right of use of assets and finance cost of (₹ 20.72 lakhs) for interest accrued on lease liability."

Note - 5: Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Non-current	Current	Non-current	Current
Security deposits	235.51	-	217.86	-
Margin Money deposits with more than 12 months maturity	21.53	-	18.93	-
Advances recoverable	-	32.66	-	121.57
Interest receivable	-	3.27	-	-
	257.04	35.93	236.79	121.57

(Unsecured and considered good unless otherwise stated)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note - 6: Inventories

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Raw materials	279.68	261.11
Raw material in transit	685.70	209.06
Finished goods	92.70	253.09
Finished goods in transit	382.37	136.33
Stores and spares	321.46	240.57
Packing material	3.51	1.91
	1,765.42	1,102.07

Note - 7: Investments - Current

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Un-Quoted Investments carried at Fair value through Profit & Loss :-		
Mutual Funds:		
IDFC Ultra Short Term Fund - Direct - Growth	206.58	-
ICICI Pru Savings Fund - Direct - Growth	205.10	-
IDFC Bond Fund - Short Term Plan - Direct - Growth	100.51	-
IDFC Corporate Bond Fund - Direct - Growth	100.24	-
ICICI Pru Corporate Bond Fund - Direct - Growth	50.44	-
ICICI Pru Short Term Fund - Direct - Growth	50.44	-
ABSL Banking & PSU Debt fund - Direct - Growth	101.63	-
ABSL Short Term Fund - Direct - Growth	102.09	-
SBI Corporate Bond Fund - Direct - Growth	50.05	-
SBI Short Term Debt Fund - Direct - Growth	50.05	-
SBI Liquid Fund - Direct - Growth	254.44	-
ICICI Pru Liquid Fund - Direct - Growth	203.55	-
IDFC Cash Fund - Direct - Growth	51.90	-
ABSL Liquid Fund - Direct - Growth	3.30	-
Aditya Birla Sun Life Savings fund	-	400.00
	1,530.32	400.00

Note - 8: Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
(a) Trade Receivable - Current	1,817.91	2,024.01
	1,817.91	2,024.01
(Unsecured and considered good unless otherwise stated)		
(b) Significant Increase in credit risk	62.98	70.52

The credit period for sale ranges from 0-90 days. No interest is charged on overdue amounts.

The Company uses available information in public domain and its own internal assessment and trading records before accepting any customer.

Based on its assessment of credit risk in respect of trade receivables valuing ₹ 62.98 lakhs, the management has concluded that no provision for expected credit loss would be necessary.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Trade receivable ageing is as follows:

Particulars	As at 31 st March 2021	As at 31 st March 2020
0-30 days	1,816.60	2,023.77
31-60 days	1.18	0.01
61-90 days	0.12	0.24
More than 90 days	62.98	70.52
	1,880.88	2,094.54

Note - 9(a): Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Balances with banks in current account	125.93	31.78
Deposits with banks less than 3 months Maturity	1,150.05	-
Cash on hand	1.71	3.18
	1,277.69	34.96

Note - 9(b): Other bank balances

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Earmarked balances with bank-Dividend warrant account	62.08	67.43
Margin money with bank	138.77	133.29
	200.85	200.72

Note - 10: Loans

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
	Current	Current
Loans to employees	11.78	10.63
	11.78	10.63

(Unsecured and considered good unless otherwise stated)

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

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
	Current	Current
Advance payment of tax and tax deducted at source (net of provision)	1.39	40.25
	1.39	40.25

Note - 12: Other Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Non-current	Current	Non-current	Current
Prepaid expenses	-	121.94	-	53.42
Capital advances	6.88	-	5.92	-
Balance with statutory/government authorities	-	98.26	-	199.03
Less: Provision for Rebate claim	-	(8.46)	-	-
	-	89.80	-	199.03
Advances to supplier of inputs	-	16.64	-	163.18
Unamortised cost of leasehold Property	-	3.52	-	5.68
	6.88	231.90	5.92	421.31

(Unsecured and considered good unless otherwise stated)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note - 13(a): Share Capital

(₹ in Lakhs)

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Numbers	Value in ₹ lakhs	Numbers	Value in ₹ lakhs
A) Authorised :				
Preference share capital				
Redeemable preference shares of ₹100/- each	6,00,000	600.00	6,00,000	600.00
Equity share capital				
Equity shares of ₹ 10/- each	6,00,00,000	6,000.00	6,00,00,000	6,000.00
B) Issued :				
Equity shares of ₹ 10/- each	5,96,40,700	5,964.07	5,96,40,700	5,964.07
C) Subscribed and paid up :				
Equity shares of ₹ 10/- each fully paid	5,88,46,400	5,884.64	5,88,46,400	5,884.64
D) Subscribed and partly paid up and hence forfeited :	-	34.04	-	34.04
Total (C+D)	5,88,46,400	5,918.68	5,88,46,400	5,918.68

a) There were no movements in the share during the current and previous year.

b) Shareholders holding more than 5% of the aggregate shares in the company.	Nos.	% holdings	Nos.	% holdings
(i) BHK Trading LLP (Formerly BHK Trading Pvt Ltd)	3,55,03,812	60.33%	35,503,812	60.33%
(ii) Nina B. Kothari	62,57,500	10.63%	62,57,500	10.63%
c) Shares held by holding entity	Nos.	% holdings	Nos.	% holdings
BHK Trading LLP (Formerly BHK Trading Pvt Ltd)	3,55,03,812	60.33%	35,503,812	60.33%

d) Rights, preferences and restrictions

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.

e) Bonus shares/Buy back/Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended 31st March 2021:

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

Note - 13(b): Other Equity

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
A) Capital Reserve	0.40	0.40
B) Retained earnings:		
Balance at the beginning of the year	4,102.41	2,629.21
Retained earnings for the year	2,254.36	1,832.91
Dividend paid	-	(294.23)
Tax on proposed dividend	-	(60.48)
Ind AS Transition adjustments:		
i) Effect of measuring Lease Liability	-	(5.14)
Items of other comprehensive income recognised directly in retained earnings:	-	-
a) Remeasurement of post employment benefit obligation, net of tax	36.78	0.14
Balance at the end of the year	6,393.55	4,102.41
Total (A+B)	6,393.95	4,102.81

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 14: Borrowings

(₹ in Lakhs)

Particulars	As at 31 st March 2021		As at 31 st March 2020	
	Non-current	Current	Non-current	Current
a) Secured				
Term loan from Banks*	224.12	-	527.39	-
Working capital loan-Indian Bank**	-	-	-	33.15
	224.12	-	527.39	33.15
Less: Current maturities of long term borrowings	103.56	-	521.90	-
(a)	120.56	-	5.49	33.15
b) Unsecured				
Working capital loans	-	-	-	-
(b)	-	-	-	-
Total (a+b)	120.56	-	5.49	33.15

* Term loan from Indian Bank, sanctioned amount ₹ 250.00 lakhs disbursed during July 20. 80% secured by stocks and book debts and 20% clean. Rate of interest linked to one year MCLR of Bank, with annual reset interest ranging at 7.50%. Principal repayable in 30 equal monthly instalments starting February 2021.
HDFC Term Loan and Car loan fully repaid during Sep 20.

** The facilities are secured by first charge on hypothecation of stocks and book debts.

Note - 15: Deferred Tax Liability (Net)

(₹ in Lakhs)

Particulars	01 st April 2019	Recognised in Other Comprehensive Income	Recognised in Statement of Profit & Loss	31 st March 2020
Deferred tax asset / (liability) arising on account of:				
Property, plant and equipment	(829.94)	-	(63.41)	(893.35)
Provision for Bonus / Leave encashment	11.02	-	0.47	11.49
Defined benefit obligation	1.02	(0.06)	-	0.96
Forward cover marked to market gain/loss	4.33	-	0.09	4.42
Interest free deposit received	0.76	-	0.12	0.88
Interest free deposits paid	(0.03)	-	(0.01)	(0.04)
Lease accounting on Rentals			2.27	2.27
Deferred Tax Asset / (Liability)	(812.84)	(0.06)	(60.47)	(873.37)

Particulars	01 st April 2020	Recognised in Other Comprehensive Income	Recognised in Statement of Profit & Loss	31 st March 2021
Deferred tax asset / (liability) arising on account of:				
Property, plant and equipment	(893.35)	-	(69.56)	(962.91)
Provision for Bonus / Leave encashment/Gratuity	11.49	-	33.21	44.70
Defined benefit obligation	0.96	(15.11)	-	(14.15)
Forward cover marked to market gain/loss	4.42	-	(4.37)	0.05
Interest free deposit received	0.88	-	0.12	1.00
Interest free deposits paid	(0.04)	-	(0.05)	(0.09)
Lease accounting on Rentals	2.27	-	0.85	3.12
Provision for claims receivable	-	-	2.46	2.46
Fair value (Gain)/loss on Investments	-	-	(7.20)	(7.20)
Deferred Tax Asset / (Liability)	(873.37)	(15.11)	(44.54)	(933.02)

NOTES FORMING PART OF FINANCIAL STATEMENTS**Note - 16: Trade Payables**

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Total outstanding dues of micro, small and medium enterprises	66.35	26.23
Total outstanding dues of creditors other than micro, small and medium enterprises	2,808.54	2,469.69
Total	2,874.89	2,495.92

Trade payables are non interest bearing and are normally settled between 0 and 90 days.

Note - 17: Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Current liabilities of term loans from banks (secured)	103.56	521.90
Interest accrued but not due	1.42	5.20
Unclaimed dividend	62.08	67.43
Trade deposits	57.50	29.33
Deferred revenue arising from interest free deposits	15.51	20.81
Non statutory dues	29.45	1.88
Derivative liability	0.17	15.17
Managerial commission payable	87.59	66.10
	357.28	727.82

Note - 18: Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
Customer advances	67.01	61.51
Statutory dues	35.77	32.48
	102.78	93.99

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 19: Provisions

(₹ in Lakhs)

Particulars	As at 31 st March 2021	As at 31 st March 2020
	Current	Current
Provision for employee benefits		
Gratuity-refer note (a) below	93.62	38.78
Bonus payable	39.90	30.45
Compensated absences	19.99	9.00
Note : Leaves at credit , availed or encashed within 12 months.		
Provision related to other expenses	49.06	48.04
	202.57	126.27

(a) Liability to existing employees of the Company in respect of gratuity is covered under a common 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. 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 recognised in balance sheet and changes in fair value of planned assets.

(₹ in Lakhs)

Particulars	2020-21	2019-20
Present value of obligations at the beginning of the year	577.55	488.89
Current service cost	429.79	98.27
Interest Cost	41.72	39.77
Re-measurement (gain) / loss:		
-Actuarial (gain) / loss arising from change in financial assumption	-	-
-Actuarial (gain) / loss arising from experience adjustment	(162.97)	5.53
Benefits paid	(50.73)	(54.91)
Present value of obligations at the end of the year	835.36	577.55
Changes in the fair value of planned assets		
Fair value of plan assets at the beginning of the year	471.40	420.16
Interest income	33.01	32.46
Return on plan assets	(5.66)	4.99
Contributions by the employer	103.53	68.70
Benefits paid	(50.73)	(54.91)
Fair value of plan assets at the end of the year	551.55	471.40
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	835.36	577.55
Less: Fair value of plan assets at end of the year	551.55	471.40
Share of obligation pertaining to Group Company under common Gratuity Trust	190.19	67.18
Funded status of the plans - Liability recognized in the balance sheet	93.62	38.97
Components of defined benefit cost recognized in profit or loss		
Current service cost	429.79	98.27
Net interest expenses	41.72	39.77
Net cost in Profit or Loss	471.51	138.04
Components of defined benefit cost recognized in Other Comprehensive income		
Re-measurement on the net defined benefit liability:		
-Actuarial gain/ (loss) arising from change in financial assumption	-	-
-Actuarial gain/ (loss) arising from experience adjustment	162.97	5.53
Return on plan assets	(5.66)	(4.99)
Net gain/ (loss)	157.31	0.54
Less: Allocation to Group Company under common gratuity trust	105.42	0.34
Net Cost in other Comprehensive Income	51.89	0.20

NOTES FORMING PART OF FINANCIAL STATEMENTS**Note - 20: Revenue from operations**

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
(a) Sale of products	22,789.16	27,243.08
(b) Other operating revenues	100.36	72.38
Revenue from operations	22,889.52	27,315.46

Note - 20(a): Other Operating Revenues

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Scrap sales	14.24	11.06
Export incentives	86.12	61.32
	100.36	72.38

Note - 21: Other Income

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Operating lease rentals from Investment Property	185.25	190.85
Interest income earned on financial assets	18.98	17.13
Net gain on foreign currency transaction and translation	80.68	78.64
Liabilities / provisions no longer required written back	59.54	-
Profits on sale of Property, Plant & Equipment	-	0.23
Gain/(Loss) on sale /Fair value of investments (net)	30.40	-
Insurance claim	6.92	1.29
Others	6.14	-
	387.91	288.14

Note - 22: Cost of Raw Materials and Components Consumed

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Opening stock of raw material and components	261.11	239.18
Add: Purchases during the year	12,715.43	17,341.02
Less: Closing stock of raw materials and components	279.68	261.11
Cost of Raw Materials and Components Consumed	12,696.86	17,319.09

Note - 23: Changes in Inventories of Finished goods

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Opening stock	253.09	127.65
Closing stock	92.70	253.09
Net change	160.39	(125.44)

Note - 24: Employee Benefit Expenses

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Salaries and wages	1,282.44	1,137.09
Contribution to provident and other funds	232.43	127.32
Staff welfare expenses	180.86	195.41
	1,695.73	1,459.82

- (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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

- (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.

Note - 25: Finance Cost

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Interest expenses	34.74	164.28
Interest expenses accrued on lease liability- Refer Note 4(b)	20.72	25.51
Other borrowing cost (Bank charges)	33.45	14.48
	88.91	204.27

Note - 26: Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Depreciation on Property, Plant and Equipment	437.95	452.96
Depreciation on Investment Property	25.90	25.90
Amortisation on Intangible assets	31.16	19.40
Depreciation on Right of use assets - Refer Note 4(b)	55.66	55.66
	550.67	553.92

Note - 27: Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Power & fuel	1,329.54	1,942.36
Stores consumed	560.52	675.19
Freight and carriage outwards	430.93	421.88
Packing materials	829.81	378.61
Repairs & maintenance		
-Building	27.27	62.40
-Plant & equipment	692.84	671.53
-Other assets	82.88	82.29
Operating lease rentals paid (Refer Note below)	36.09	6.59
Travelling	12.70	244.31
Insurance	40.18	44.54
Rates & Taxes	53.09	135.47
Auditor's Remuneration:		
-Statutory audit fees	3.00	3.00
-Limited review fees	1.50	1.50
-Tax audit	0.50	0.50
-Other services	0.05	0.15
Research and development expenditure (Refer Note 30)	71.18	61.85
Corporate Social Responsibility expenditure (Refer Note 31)	36.52	27.00
Legal & professional charges	282.74	233.30
Sitting fees to Directors	11.50	8.10
Commission & discounts	205.81	445.41
Printing and stationery	8.93	11.25
Postage and telephone expenses	8.50	8.75
Administration expenses	211.14	435.65
	4,937.22	5,901.63

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

NOTES FORMING PART OF FINANCIAL STATEMENTS**Note - 27(a): Directors' Remuneration**

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
(a) Managing Director and whole time director remuneration		
Short term & other benefits	140.12	113.46
Commission paid	66.10	29.54
	206.22	143.00
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.		
(b) Non-Executive Director's remuneration		
Directors' sitting fees	11.50	8.10
	11.50	8.10

Note - 28: Tax Expense

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
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	3,147.65	2,434.84
Adjustments	-	-
Profit before tax	3,147.65	2,434.84
i) Income Tax calculated at Normal 29.12 % (2019-20:29.12%) Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	916.59	709.03
ii) Dis-allowances:		
a) Effect of expenses/incomes allowed in tax computation	(82.72)	(83.35)
b) Others	(17.60)	(12.22)
iii) Allowances:		
a) Effect of expenses/incomes disallowed in tax computation	32.48	24.34
	848.75	637.80
Tax expenses comprise of:		
i) Current tax	848.75	637.80
ii) Adjustments in respect of current income tax of previous years	-	-
	848.75	637.80
iii) MAT credit utilised	-	96.34
Net Current Income Tax	848.75	541.46

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 29: Earning per Equity Share

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
Nominal value of equity share (₹)	10.00	10.00
Profit attributable to equity shareholders (A)	2,254.36	1,832.91
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) (₹)	3.83	3.11
Dilutive effect on profit (C)	-	-
Profit attributable to equity shareholders for computing diluted EPS (D)=(A+C)	2,254.36	1,832.91
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) (₹)	3.83	3.11

Note - 30: Details of Research and Development Expenditure

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
i) Capital expenditure	42.90	19.66
ii) Revenue expenditure		
a) Raw material and components consumed	8.45	4.28
b) Salaries and wages	37.69	33.19
c) Consultancy charges	20.88	19.44
d) Miscellaneous expenses	4.17	4.94
	71.18	61.85
Total (i) + (ii)	114.08	81.51

Note - 31: Expenditure on Corporate Social Responsibility

(₹ in Lakhs)

Particulars	Year ended 31 st March 2021	Year ended 31 st March 2020
a) Gross amount required to be spent	36.52	27.00
b) Amount spent on:		
- Paid to HCK Educational and Development Trust	36.52	27.00
	36.52	27.00

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 st March 2021	As at 31 st March 2020
Equity	12,312.63	10,021.49
Debt	224.12	560.54
Cash and cash equivalents	(1,277.69)	(34.96)
Net Debt	(1,053.57)	525.58
Total capital (equity+net debt)	11,259.06	10,547.07
Net debt to capital ratio	(0.09)	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.

Particulars	As at 31 st March 2021	As at 31 st March 2020	Fair Value Hierarchy
Financial Assets :			
Investments:	1,530.32	400.00	Level 2
Financial Liabilities:			
Derivative Liability	0.17	15.17	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.

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 other price risk), credit risk and liquidity 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 st March 2021	As at 31 st March 2020
Forward cover (sell) :		
USD/INR (in FCY)	10.04	6.55
USD/INR (in INR)	737.15	498.13
EURO/INR (in FCY)	-	0.38
EURO/INR (in INR)	-	31.11

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS
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 31st March 2021, in case of Rupee borrowings and all other variables were held constant, no additional annual interest expense on floating rate borrowing would arise as there is no loan outstanding as on 31st March 2021. (31st March 2020 ₹ 12 lakhs).

c) Other price risks

The Company does not have any investments in equity shares and hence is not exposed to any equity price risks.

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.

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, as the major chunk of trade receivables is from oil PSUs with high credit rating. 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 31st March 2021. (₹ in Lakhs)

Particulars	Carrying amount	upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Interest bearing borrowings	224.12	103.56	120.56	-	224.12
Non interest bearing	2,874.89	2,874.89	-	-	2,874.89
Other financial liabilities	252.30	179.29	-	73.01	252.30
Total	3,351.31	3,157.74	120.56	73.01	3,351.31

The table below provides details of financial assets as at 31st March 2021: (₹ in Lakhs)

Particulars	Carrying amount
Trade receivable	1,880.88
Other financial assets	1,783.30
	3,664.18

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

BHK Trading LLP

Under section 2(76) of the Companies Act, 2013

- (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
- (v) M/s. Kothari Biotech Private Limited
- (vi) M/s. HCK Educational and Development Trust

Key Management Personnel (KMP)

- (i) Mr. Arjun B. Kothari - MD
- (ii) Mr. M Rajavel - WTD
- (iii) Mr. S. Sivamahesh - CFO
- (iv) Ms. Deepa Bansal - CS (*)

Non Independent Non Executive Director (KMP)
Relative of Chairperson and Managing Director
Non Executive Independent Directors (KMP)

- (i) Mrs. Nina B. Kothari - Chairperson
- (i) Mrs. Nayanara B. Kothari
- (i) Mr. Pranab Kumar Rudra (*)
- (ii) Mr. S. Sundarman
- (iii) Mr. V. V. SuryaRau
- (iv) Mr. Brij Mohan Bansal (**)
- (v) Mr. Gautam Roy (**)

(₹ in Lakhs)

Nature of Transactions	Holding Entity		Key Management Personnel (KMP)				Non Independent Non Executive Director (KMP)		Relative of Chairperson and Managing Director		Non Executive Independent Directors (KMP)	
	2020-21	2019-20	Mr. Arjun B. Kothari, Managing Director	2020-21	2019-20	(WTD / CFO / CS) - KMP	2020-21	2019-20	Mrs. Nayanara B. Kothari	2020-21	2019-20	Mr. Pranab Kumar Rudra Mr. S. Sundarman Mr. V. V. SuryaRau Mr. Brij Mohan Bansal Mr. Gautam Roy
Dividend	-	147.23	-	-	-	-	-	31.29	-	-	-	-
Sitting Fees	-	-	-	-	-	-	1.90	1.20	-	-	9.60	6.90
Management Consultancy	-	-	-	-	-	-	30.00	30.00	-	-	-	-
Short Term Employee Benefits	-	-	128.95	74.19	96.13	103.22	-	-	-	-	-	-
Post Employment Benefits	-	-	7.20	5.04	8.83	9.55	-	-	-	-	-	-
Closing Balance	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2.95	Nil	Nil	Nil	Nil
Nature of Transactions	Century Foods Pvt Ltd.		Kothari Safe Deposits Ltd.		Kothari Biotech Private Limited		Kothari Sugars & Chemicals Ltd.		Parasakthi Trading Co. Pvt. Ltd.		HCK Educational and Development Trust	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Dividend	13.65	-	-	-	-	-	-	30.30	-	-	-	-
Lease rental	-	15.60	22.24	25.41	-	-	1.20	-	28.35	32.40	-	-
Electricity charges	-	-	-	-	-	-	3.09	8.02	-	-	-	-
Reimbursement of Expenses	-	-	-	-	-	-	-	19.71	-	-	-	-
Locker Rent	-	-	0.07	0.13	-	-	-	-	-	-	-	-
Professional Services (AMC, Tech Fee)	-	-	-	-	-	-	319.44	290.40	-	-	-	-
CSR Payment	-	-	-	-	-	-	-	-	-	-	-	-
Security Deposit	-	-	0.14	-	-	-	5.00	-	-	-	-	-
Security Deposit returned	-	-	(0.13)	-	-	-	-	-	-	-	-	-
Purchase of Goods	-	-	-	-	1.64	-	1.58	-	-	-	-	-
Closing Balance	Nil	1.53	Nil	2.50	Nil	Nil	0.25	29.36	Nil	3.19	Nil	Nil

Note :

a. (*) Mr. Pranab Kumar Rudra, Independent Director resigned with effect from Jun 16, 2020. Ms. Deepa Bansal, Company Secretary of the Company resigned with effect from April 10, 2021.

(**) Mr. Brij Mohan Bansal and Mr. Gautam Roy were appointed as Independent Directors w.e.f Aug 10, 2020.

b. Remuneration to KMP and Managing Director remuneration above does not include gratuity as the same is computed actuarially for all the employees.

c. Dividend of ₹ 50 each paid to Managing Director and to the relative of chairperson/Managing Director during 2019-20 not included in the above.

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 36: Events after the reporting period

There are no material Adjusting or non-adjusting events to be reported ,after the reporting period, as at the date of approval of these financial statements.

Note - 37: Commitments, Contingent Liabilities and Contingent Assets

(₹ in Lakhs)

	As at 31 st March 2021	As at 31 st March 2020
(a) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	65.74	51.05
(b) Contingent liabilities		
Guarantees:		
Bank Guarantees	1,162.25	1,222.25

Note - 38 : Dues to Micro, Small and Medium 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 31st March 2021 are furnished below:

Particulars	As at 31 st March 2021	As at 31 st March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year		
Principal	66.32	26.20
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

NOTES FORMING PART OF FINANCIAL STATEMENTS**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.

Note - 40: Previous year figures

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

For and on behalf of the Board of Directors of
Kothari Petrochemicals Limited

As per our report of even date attached

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

Arjun B. Kothari
Managing Director

S. Sundarraman
Director

K. Priya
Company Secretary

Sivamahesh. S
Chief Financial Officer

S. Raghavendhar
Partner
Membership No.244016

Place : Chennai
Date : May 24, 2021

KOTHARI PETROCHEMICALS LIMITED

Regd. Office. "Kothari Buildings"

No. 115, Mahatma Gandhi Salai,

Nungambakkam, Chennai - 600 034.