

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

July 17, 2023

Dear Sirs,

Stock Code - **KOTHARIPET**

Sub: 34th Annual Report of the Company and e-voting process of Kothari Petrochemicals Limited for the financial year 2022 - 2023.

- (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 34th Annual General Meeting of the Company is enclosed. The 34th Annual General Meeting of the Company will be held on **Wednesday, 09th August 2023 at 02.00 P.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 34th 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 Saturday, 05th August 2023 at 9.00 A.M and ends on Tuesday, 08th August 2023 at 5.00 P.M. The cut-off date for reckoning the eligibility of the members for e-voting is Wednesday, 02nd August 2023.
- (iv) In compliance with MCA Circulars dated 28th December 2022, 05th May 2022, 05th May 2020, 08th April 2020, 13th April 2020, 13th January 2021 & 14th December 2021 and SEBI Circulars dated 05th January 2023, 13th May 2022 & 12th May 2020, Notice of the AGM along with the Annual Report 2022 - 2023 has been sent to the shareholders, only through electronic mode on Monday, 17th July 2023 to those members whose e-mail addresses are registered with the Company / Depositories and the same is available in the website of the Company www.kotharipetrochemicals.com
- (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 & 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



CAMEO CORPORATE SERVICES LIMITED

Ref: CAM/KPC/EMAIL/2023

17th July 2023

The Company Secretary,
Kothari Petrochemicals limited,
Kothari Buildings,
No.115, Mahatma Gandhi Salai,
Nungambakkam,
Chennai- 600 034

Dear Sir,

Sub: Sending of Annual report-2022-2023 to the shareholders through Email- Reg.

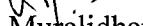
As per your request for sending Annual Report through Email to the shareholders of your company In view of the continuing COVID-19 Pandemic, the Ministry of Corporate Affairs ("MCA") had vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively and Circular no. 02/2021 dated January 13, 2021, Circular no: 19/2021 dated December 8, 2021, Circular no: 2/2022 dated May, 5, 2022 and General Circular No: 11/2022 dated December 28, 2022, 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, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 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-34159 on 17.07.2023. The details of Email sent/returned is given below:

Description	No.of Holders
Total Email Sent on 17.07.2023	34159
Emails sent successfully	34159

This is for your kind information.

Thanking you,

Yours faithfully,
For CAMEO CORPORATE SERVICES LIMITED


P. Muralidharan
Manager



Kothari Petrochemicals Limited

34th Annual Report 2022 - 23





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
Gautam Roy - Independent Director

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, Sunder Regency, 3rd Street,
Choolaimedu, Chennai - 600 094.

Secretarial Auditor

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

Registered Office

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

Legal Advisors

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

Manufacturing Unit

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

Registrar & Share Transfer Agent

M/s. Cameo Corporate Services Limited
Subramanian Building, 5th Floor,
No.1, Club House Road, Chennai - 600 002.
Phone No. 044 - 40020700 / 710
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	2022-23	2021-22	2020-21	2019-20	2018-19
PROFITABILITY ITEMS					
Gross Income	48,858.02	38,606.84	23,071.62	27,603.60	30,220.97
Profit (PBDIT)	6,437.39	5,222.30	3,787.23	3,048.50	2,356.03
Profit/ (Loss) After Tax	3,917.69	3,288.51	2,254.36	1,832.91	1,218.57
BALANCE SHEET ITEMS					
Net Fixed Assets	12,408.87	11,017.06	9,728.69	9,721.63	10,024.30
Investments	4,123.77	3,334.95	1,530.32	400.00	-
Total Capital Employed	22,090.28	17,435.31	13,471.87	11,107.50	9,888.53
Shareholders Funds	19,207.00	15,582.58	12,312.63	10,021.49	8,548.29
RATIOS					
Book Value per share (₹)	32.64	26.48	20.92	17.03	14.53
EPS (₹)	6.66	5.59	3.83	3.11	2.07
Dividend %	12.50%	-	-	-	5%

NOTICE TO THE MEMBERS

Notice is hereby given that the 34th Annual General Meeting of Kothari Petrochemicals Limited will be held on Wednesday, 09th August 2023 at 02.00 P.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, 2023, the Reports of the Auditors thereon and Report of the Board of Directors.
2. To appoint a Director in the place of Mr. Arjun B Kothari, (DIN: 07117816) who retires by rotation and being eligible offers himself for re-appointment.
3. To declare a final dividend of ₹0.75 paise (Seventy Five Paise only) per equity share of the face value of ₹10/- for the financial year 2022 - 2023.

Special Business

4. Ratification of Remuneration to Cost Auditor

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

"Resolved that subject to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit & Auditors) Rules, 2014 (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus applicable taxes and reimbursement of out of pocket expenses to M/s. P. Raju Iyer, M. Pandurangan & Associates, Cost Accountant in practice for conducting the audit of cost records for the Poly Iso Butylene (PIB) unit of the Company for the year 2023-2024 which has been approved by the Board, be and is hereby ratified and confirmed".

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

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

"Resolved that pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the allied rules made thereunder and the applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Listing Regulations") and other applicable provisions, if any, (including any amendment or re-enactment thereof), and Article 76 of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, approval of the Members of the Company is hereby accorded to pay a commission of 1% of the Net

Profits of the Company as computed in the manner laid down in Section 198 of the Act, subject to a minimum of ₹ 50,00,000/- to Mrs. Nina B. Kothari, (DIN: 00020119) Non-Executive Chairperson of the Company, for the financial year 2023 - 2024.

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

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

Place: Chennai

Date : May 26, 2023

K. Priya
Company Secretary

Important Notes:

- (a) The Ministry of Corporate Affairs vide its Circular No. 10/2022 dated December 28, 2022 read with Circular No. 02/2022 dated May 05, 2022 read with Circular No. 21/2021 dated December 14, 2021 read with Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20/2020 dated May 05, 2020, Circular No.14/2020 dated April 8, 2020 read with Circular No.17/2020 dated April 13, 2020 allows conducting of Annual General Meeting of the Company through Video Conferencing (VC) or Other 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 Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is appended herewith and also available at the Company's website: www.kotharipetrochemicals.com
- (b) Since the AGM is being conducted through VC /OAVM, the facility for appointment of proxies by the Members will not be available for this AGM and hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
- (c) Body Corporate members are requested to send to the Company a certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend and vote in the AGM through VC / OAVM on its behalf and to vote through remote e-voting. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
- (d) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

- e) The Register of Members and Share Transfer Books will remain closed from Thursday, the 03rd August, 2023 to Wednesday, 09th August, 2023 (both days inclusive) on account of the Annual General Meeting and determining the entitlement of the shareholders to the final dividend for the year 2022 - 23. Final Dividend on declaration will be paid on or before 06.09.2023.

Dividend

- f) (i) Pursuant to the Income Tax Act, 1961 and Rules thereunder, with effect from 01.04.2020 Dividend income is taxable in the hands of shareholders under current tax law and the Company is required to deduct tax at source (TDS) from same at the prescribed rates. There will be no TDS from dividend payable to a resident individual shareholder, if the total dividend to be received during FY 2023-24 from the company does not exceed ₹ 5000/-.

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

(iii) Form 15G / 15H or Form - 10F can be filed online with the RTA through their link <https://investors.cameoindia.com>. These can also be downloaded from the company website, duly completed, signed and scanned and emailed to the RTA at investor@cameoindia.com / secdept@hckgroup.com on or before **02nd Aug 2023**. You may visit the Company's website at <https://www.kotharipetrochemicals.com/investors/investors-relations/> for all the relevant details and to download the necessary forms.

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

Sl. No.	Nature of Dividend	Date of Declaration of Dividend	Due Date for Transfer to IEPF on
(i)	Interim Dividend	13.02.2017	21.03.2024
(ii)	Final Dividend	07.09.2017	13.10.2024
(iii)	Final Dividend	30.07.2018	04.09.2025
(iv)	Final Dividend	06.08.2019	10.09.2026
(v)	Interim Dividend	07.02.2023	15.03.2030

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

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

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

In this connection, the Company has issued reminder letters to all shareholders holding shares in physical, who have not updated any of the above said details. The RTAs shall not process any service requests or complaints received from the holder(s) / claimant(s), till PAN, KYC and Nomination documents / details are received. It is also to be noted that the Folios of holders of physical shares where in any of the above cited documents / details are not available on or after October 01, 2023, particular folio shall be frozen by the RTA and with effect from April 01, 2024 any dividend payment with respect to such frozen folios will be only through electronic mode only upon complying with the requirements of updation of all the details by the Investor as said above. Further, such frozen folios would be referred under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

- (i) Pursuant to Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 25th January 2022, any request for effecting transfer, transmission or transposition of shares will be processed only in demat form. Therefore, the Company advises you to take steps for dematerializing your shareholding in the Company.
- (j) The Company has designated an exclusive e-mail id viz. secdept@hckgroup.com to enable investors to register their complaints / queries, if any.
- (k) Disclosure pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2 (SS-2) with respect to the Director seeking reappointment at the forthcoming Annual General Meeting is appended to this Notice.
- (l) In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 05, 2023, Notice of the AGM along with the Annual Report 2022-23 is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice calling the AGM and Annual Report has been uploaded on the website of the Company at <https://www.kotharipetrochemicals.com>. The Notice can also be accessed from the website of the Stock Exchange i.e. National Stock Exchange of India Limited at www.nseindia.com. 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
- (m) The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can send an e-mail to secdept@hckgroup.com requesting for inspection of the Registers.
- (n) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

Voting through Electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure

Requirements) Regulations 2015 (as amended) and MCA Circulars dated December 28, 2022 read with May 05, 2022, December 14, 2021, January 13, 2021, May 05, 2020, April 08, 2020 and April 13, 2020, the Company shall provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Service (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM through VC or OAVM will be provided by CDSL.

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

- (i) The remote e-voting period begins on Saturday, 05th August 2023 at 9.00 A.M. and ends on Tuesday, 08th August 2023 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. Wednesday, 02nd Aug 2023 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' Resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. There are also multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India which necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with 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 user to login to Easi / Easiest are requested to 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 the Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi and click on registration option. 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. 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.
Individual Shareholders holding securities in Demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit these-Services website of NSDL. Open web browser by typing the following URL : 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. <p>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 redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders holding securities in demat mode login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.:1800 22 55 33.
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 / Members" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com 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.
- 17) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.

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

- (a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com 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 will be mapped automatically and can be delink in case of any wrong mapping.
- (e) It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (f) Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer (alagarcs@gmail.com) 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.

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 toll free No.: 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 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 toll free No.: 1800 22 55 33.

General

- a) The remote e-voting period commences on Saturday, 05th August 2023 at 9.00 A.M. and ends on Tuesday, 08th August 2023 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. Wednesday, 2nd Aug 2023 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 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. Wednesday, 02nd Aug 2023.
- d) Mr. M. Alagar / Mr. D. Saravanan of M/s. M. Alagar & Associates, Practicing Company Secretaries, Chennai (Firm Registration No. P2011TN078800), has been appointed as Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- e) The Scrutinizer shall immediately after the conclusion of voting at the general meeting, will first count the votes cast at the meeting, and there after unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make, not later than two days after the conclusion of the AGM, a consolidated 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 counter sign the same and declare the result of the voting forthwith.
- f) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kotharipetrochemicals.com 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. 4

The Audit Committee and the Board of Directors of the Company at their meetings held on 26th May, 2023 appointed M/s. P. Raju Iyer, M. Pandurangan & Associates, Cost Accountants as the Cost Auditor for the Poly Iso Butylene (PIB) unit of the Company for the year 2023 - 2024.

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

Accordingly, consent of the Members is sought by way of Ordinary Resolution as set out in Item No. 4 of the Notice to ratify the remuneration of ₹1,00,000/- (Rupees One Lakh only) plus applicable taxes and reimbursement of out of pocket expenses to M/s. P. Raju Iyer, M. Pandurangan & Associates, Cost Auditor for the Poly Iso Butylene (PIB) unit of the Company for the financial year 2023-2024 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 26th May 2023.

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

Item No. 5

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

fair and equitable to consider the payment of a commission. Keeping this in mind, the NRC Committee and the Board have recommended payment of a commission.

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

Considering the valuable time and advice given by the Non-Executive Chairperson in deliberating on the strategic and critical issues in the course of the Board meetings and various Committee meetings of the Company and the valuable suggestions and guidance given by her to the management of the Company from time to time with her rich business connect and wide experience, the Board of Directors at their meeting held on 26th May 2023, based on the recommendation of the Nomination and Remuneration Committee, had recommended payment to Mrs. Nina B. Kothari, a commission of 1% of the Net Profits of the Company as computed in the manner laid down in Section 198 of the Act subject to a minimum of ₹ 50,00,000/- for the year 2023 - 2024 and the said Commission be paid either in a lump sum or in instalments.

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

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

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

Place : Chennai
Date : May 26, 2023

K.Priya
Company Secretary

ANNEXURE TO THE NOTICE

THE INFORMATION IN RESPECT OF ITEM NO. 2, 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
Name of the Director	Arjun B Kothari
DIN	07117816
Date of Birth	11.09.1991
Date of first appointment on the Board	08.04.2015
Qualification	Bachelor of Science, North western University, Evanston, Illinois, United States of America & Global Health and European Politics from Paris Institute of Political Studies, Paris, France.
Nature of expertise in specific functional areas	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.
List of other Listed / Public Companies in which Directorship held	a) Kothari Sugars and Chemicals Limited b) Kothari Safe Deposits Limited
Chairman / Member of the Committee of the Board of Director of the Company	<u>Chairman</u> ICAC <u>Member</u> SRC & CSR
Listed entities from which resigned in the past three years	Nil
Chairman / Member of the Committee of the other Listed / Public companies in which he/she is a Director	a) Kothari Sugars and Chemicals Limited: <u>Chairman</u> ICAC <u>Member</u> SRC & CSR b) Kothari Safe Deposits Limited: <u>Chairman</u> Investment Committee
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2023	9,593 Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Arjun B. Kothari is a relative of Mrs. Nina B. Kothari, Chairperson of the Company.
Number of meetings attended during the year.	Please refer Corporate Governance Section.
Not debarred from holding office by order of SEBI or any authority.	

NOTE: CSR - Corporate Social Responsibility Committee, SRC - Stakeholders Relationship Committee, ICAC - Investment & Credit Approval Committee

BOARD'S REPORT

To the Members

The Directors have pleasure in presenting before you the 34th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2023.

Financial Summary of the Company

(₹ in Lakhs)

Sl. No.	Particulars	2022 - 2023	2021 - 2022
(i)	Total Income	48,858.02	38,606.84
(ii)	Profit / (Loss) before Interest and Depreciation and exceptional item	6,335.84	5,432.85
(iii)	Interest	256.01	61.62
(iv)	Depreciation	660.46	553.68
(v)	Exceptional item	101.55	(210.55)
(vi)	Profit / (Loss) Before Tax	5,520.92	4,607.00
(vii)	Tax Adjustments including Deferred Tax	1,603.23	1,318.49
(viii)	Profit / (Loss) after Tax	3,917.69	3,288.51
(ix)	Other comprehensive income	0.96	(18.56)
(x)	Total comprehensive income	3,918.65	3,269.95
(xi)	Profit brought forward from previous year	9,663.90	6,393.55

Financial Highlights

The Company's Profit before Tax for the year ended 31st March 2023 has increased by ₹913.92 lakhs to ₹5,520.92 lakhs as compared to ₹4,607.00 lakhs in the previous year. The total revenue from operations for the year ended 31st March 2023 is ₹48,214.70 lakhs as against ₹38,152.54 lakhs in the previous year. The increase in revenue is mainly due to two factors one being increase in sales volume of Poly Iso Butylene (PIB) from 29,302.17 metric tonne to 32,554.83 metric tonne and the other factor is due to increase in sale prices resultant due to a rise in the price of raw material inputs.

Status of the Plant

Your company has successfully completed the De-Bottlenecking Project within time and Budget. Post this project, the plant production capacity stands revised to 48,000 MT per year and necessary statutory approvals were also received. The plant with enhanced capacity is ready now to meet the increased demand in the domestic and overseas market.

The raw material supply from the adjacent refinery is steady both in terms of quality and quantity throughout the year, barring a few occasions when the quality was below normal level momentarily. Continuous usage of high pure material, and more focus on domestic sales helped the Company to achieve greater operating efficiency. In addition to this, other efforts put in to save the cost of other inputs and packing materials have also resulted in a better contribution to the bottom line.

The Paddy husk which is the main fuel for the Captive Power Plant is in short supply due to many consumers using this fuel due to steep price hike of imported coal. However, in addition to retaining the existing suppliers, the company also developed additional sources for an uninterrupted supply of Husk.

Power generation from the Captive Power plant is always in synchronized mode with Govt grid to meet the marginal intermittent additional power demand. The 247-kw solar plant continues to generate power which is consumed by the main plant along with captive power plant generation. Additional solar panels are planned to be installed on the newly constructed buildings roofs in the plant area to get more renewable energy and reduce our cost of power & environmental impact.

The water supply from Metro water Board from their TTRO plant supported to handle the effluent-discharge more effectively and thus the discharge of effluent has been significantly reduced. The Effluent treatment plant was further strengthened to recover more water from its last stage of RO. Your company is also exploring the possibility of making the plant as Zero Liquid Discharge (ZLD) using Ozonation of the final reject from the Effluent treatment plant.

Your Company continues to retain ISO certification - 9001:2015 for Quality Management system and 14001:2015 for Environmental Management system and also received the ISO 45000 certification for Occupational Health and Safety. We have commenced the activities for obtaining ISO 50001 certification for Energy Management System.

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

To meet the additional product evacuation, your company has revamped and semi-automated the product loading bay to handle more tankers at a time.

Performance

Your Company has achieved 12035 days “Accident Free” operation since inception. The Company has been continuously imparting training to all its employees to ensure that all projects execution apart from the plant operation is “Accident Free” and efficient.

Your Company has achieved a record production of 32,630 MT in comparison to the previous year’s production of 30,789 MT. The plant was able to surpass the De-bottle necking target production.

Your Company has received the First Prize for National Energy Conservation from the Honorable President of India and “Excellence In Energy Management” Award was received from the Indian Chemical Council. The company also received from CII an award for the Excellent Energy Efficient unit for two terms, and also Silver Category Award for EHS Excellence for 2022 - 2023.

Some of the efforts put in by the Product Development team have started giving good response from customers and further improvements are being carried out to exceed the customer’s expectations.

Plant automation

The first phase of Reactor operation in Auto mode using Advanced Process Control (APC) philosophy needs further studies to make it functional and all the steps have been taken for it.

Safety

All the suggestions / recommendations given by the General safety Audit conducted in January 2021 was completed using the DBN shutdown opportunity. To ensure the safety of your plant, all the employees and contractors are continuously being given awareness on Near Miss incidents and Unsafe Acts. Periodic training using in-house resources and external experts are conducted. Plant external Safety Audit as per IS14489 has been conducted in March 2023.

Pollution and Environment compliances

Your Company has created all necessary facilities as per the Pollution Control Board’s direction and submitted the records conforming to the statutory requirements with respect to pollution norms. The Tamil Nadu Pollution Control Board has given their consent for the enhanced productivity of 48,000 MT per year. Your Company also applied to renew the Consent order, which expired on 31st March 2023, for next 5 years.

Research and Development

The Company’s R&D’s Section has been recognised by the Department of Scientific & Industries Research (DSIR) Recognition and the recognition has been renewed for next 3 years (till 2025).

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

Around ₹192.85 Lakhs have been spent for R & D in the Financial Year 2022-23 for various research activities and infrastructures to improve Value Addition for the Co-products and for new applications.

Your Company also secured a Patent for a new chemical process development last year and further works on it are underway. This will help your company to diversify the product port folio in the coming years.

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

(a) Conservation of Energy :

On account of implementation of the De-bottle Necking (DBN) Project, the Specific Energy Consumption (SEC) per Ton of PIB produced has been reduced in spite of the increased Plant productivity. We have replaced many of the old, high energy consuming equipment with the Energy efficient equipment such as Thermic Heater (TP 20) with Air Preheater, Refrigeration Screw compressors, Air screw compressor with Air cooled exchanger, Reactor Circulation pumps with VFD control during the DBN project. The overall investment cost of the above major equipment is ₹841.34 Lakhs which constitutes 17% of the DBN implementation cost.

Various steps were taken last year to recover waste heat from the process, recovery of Hydrocarbons started paying back the investments. Avenues for further conservation of energy are being explored. Cooling water treatment using chemicals was discontinued and a new technology of treatment with ULF (Ultra Low Frequency) was implemented in March’23. This has shown good results and significant cost savings and is under observation.

(b) Technology absorption: Nil

(c) Foreign exchange earnings and Outgo:

(₹ in Lakhs)

Sl. No.	Particulars	2022-23	2021-22
(i)	Total Foreign Exchange inflow	12,667.02	5,827.83
(ii)	Total Foreign Exchange outflow	465.20	270.78

Dividend

The Board of Directors met on 26th May 2023 to review the full year performance, various growth opportunities, and also took note of the interim dividend of ₹0.50 paise per equity share of ₹10/- each declared during the year and the same was paid to the shareholders within the stipulated time. After reviewing this, the Board of Directors has decided to recommend a Final dividend at the rate of 7.5% i.e., ₹0.75 paise per equity share of ₹10/- each for the financial year ended 31st March 2023. If the dividend is approved by the Members at the ensuing Annual General Meeting to be held on 09th August, 2023, it will be paid on or before 06th September, 2023 to those Members whose names appear in the Company's Register of Members as at the close of business hours on Wednesday, 02nd August, 2023. This together with interim dividend of ₹ 0.50 paise per share (5%) already paid, would aggregate to a total dividend of 12.5 % i.e., ₹ 1.25 paise (Rupees one and twenty five paise only) per equity share for the year 2022 - 23.

Board Meetings

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

Share Capital

The paid-up equity share capital as on March 31, 2023 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. Arjun B Kothari, (DIN: 07117816) Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Arjun B. Kothari, 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.

Mr. S Sundarraman (DIN: 01032768) was re-appointed as the Independent Director of the Company for a second term of five consecutive years with effect from 22nd November 2022 as approved by the shareholders at the 33rd AGM held on 02nd Aug, 2022. The Board is of the opinion that Mr. S Sundarraman is a person of integrity and possess relevant expertise and experience (including the proficiency) of the Independent Director who was appointed during the year.

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 continues to 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 06th February 2023 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 any genuine concerns raised by the Directors / Employees. 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 review on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is posted on the Company's website www.kotharipetrochemicals.com

Prevention of Insider Trading

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

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Material changes and commitments

There is no change in the nature of business of the company during the year. There is no material change or commitment affecting the financial position of the company that has occurred since 31st March 2023 to the date of this report.

Annual Return

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

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

AUDITORS

a) Statutory Auditor

The Statutory Auditor of the Company M/s. P. Chandrasekar LLP, Chartered Accountants (Registration No.: 000580S/S200066) was re-appointed for the second term by the Shareholders at the 33rd AGM held on 02nd August 2022 to hold office till the conclusion of the 38th 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 2022-23 and no fraud was reported by auditors under Section 143(12) of the Companies Act, 2013.

b) Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Audit Records are maintained by the Company in respect of its Poly Iso Butylene (PIB) unit which are required to be audited. Your Directors, on the recommendation of the Audit Committee, appointed M/s. P. Rajulyer, M. Pandurangan & Associates, Cost Accountants in practice for conducting the audit of cost records of the

Company and the remuneration payable to the Cost Auditor is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. P. Rajulyer, M. Pandurangan & Associates, Cost Accountant is included at Item No. 4 of the Notice convening this 34th Annual General Meeting.

c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Vasumathy Vasudevan, V. Vasumathy & Associates, Company Secretary in Practice, Chennai as Secretarial Auditor of the Company. The Secretarial Audit Report is forming part of this Annual Report and does not contain any qualifications or observations.

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 2022 - 2023.

Significant & Material orders passed by the regulators

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

Internal Control Systems and their Adequacy

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

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

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.

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. A detailed report on CSR activities in the prescribed format is forming part of this Annual Report.

Annual Performance Evaluation

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

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

Separate Meeting of Independent Directors

The Independent Directors of the Company had met during the year on 06th February 2023 to review the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and also assessed the quality, quantity and time liness of flow of information between the company management and the Board without the presence of the Non-Independent Directors and members of the Management.

Disclosure about Cost Audit

Filing of Cost Audit Report	2022 - 2023	2021 - 2022
Due Date	27.09.2023	27.09.2022
Actual Date	30.08.2023 (tentatively)	13.08.2022
Cost Auditor Details	M/s. P. Raju Iyer, M. Pandurangan & Associates, M.No.27969, Chennai	M/s. P. Raju Iyer, M. Pandurangan & Associates, M.No.27969, Chennai.
Audit Qualification in Report	-	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 2023 - 2024 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. 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.

Disclosure under the Sexual Harassment of Women at Workplace (prevention, prohibition and Redressal) Act, 2013

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

Particulars of Employees

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

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

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

Sl. No.	Name	Designation	Ratio
(i)	Mr. Arjun B.Kothari	Managing Director	28.87 : 1
(ii)	Mr. M. Rajavel	Whole Time Director	10.54 : 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	10%
(iii)	Mr. S. Sivamahesh	Chief Financial Officer	12%
(iv)	Mrs. K.Priya	Company Secretary	12%

- (c) 7.21% increase was reported in the median remuneration of employees in the financial year 2022- 2023.
- (d) The number of permanent employees on the rolls of company as on 31st Mar 2023: 117
- (e) Increase of remuneration for employees varies between 8% to 23% and for KMP, the increase was in the varying range of 10% 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.

Compliance with Secretarial Standards

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

Cautionary Statement

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

Acknowledgement

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

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

Place: Chennai

Date : May 26, 2023

Nina B. Kothari
Chairperson

Information as per Section 197(12) of the Companies Act, 2013 & Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2023.

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	241.04	Permanent	08.04.2015	31	9	General Electric Company, USA	9,593 0.01%	Mr. Arjun B. Kothari is the relative of Mrs. Nina B. Kothari, Chairperson of the Company
2	M. Rajavel	Whole Time Director	B.Sc.	94.68	Permanent	04.05.1997	60	37	Chemfab Alkalies Pvt. Limited	-	-
3	N. Ramakumar	GM - Finance & Accounts	FCA	42.40	Permanent	01.06.2010	58	36	Kothari Sugars and Chemicals Limited	-	-
4	P. Premapriyan	Vice President - Operation	B.E Chemical	36.18	Permanent	01.11.2018	43	23	Oren Hydrocarbons Pvt. Ltd.	-	-
5	S. Sivamahesh	Chief Financial Officer	M.Com., ACA	34.42	Permanent	30.01.2019	38	14	Stanadyne India Pvt. Ltd	-	-
6	S. V. Ramesh	DGM - Supply Mgmt	DME	30.33	Permanent	08.10.2011	53	29	Bonfiglioli Transmissions Pvt Ltd.	-	-
7	K. Sreekanthswaran	President - Legal & Taxation	B.Com	28.11	Permanent	16.06.2011	61	12	Madras Entertainment Pvt. Ltd	-	-
8	S. Chellappa	AGM - IT	M.C.A	25.30	Permanent	01.07.2013	55	30	Kothari Sugars and Chemicals Limited	200	-
9	J. Janarthanan	AGM - Taxation	B.com, M.A., M.Phil(Economics), MBA (Finance), PGDCA, LLB	23.30	Permanent	01.07.2013	49	26	Kothari Sugars and Chemicals Limited	-	-
10	Jeevitha Chopra	Senior Manager- Accounts	ACA	20.85	Permanent	16.12.2021	38	14	Price water house Coopers	-	-

Notes:

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

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

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

2. The Composition of the CSR Committee

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

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

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

<https://www.kotharipetrochemicals.com/wp-content/uploads/2023/04/CSR-Policy-with-Annual-Action-Plan-2022-23.pdf>

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

Not Applicable

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

(₹ in Lakhs)

Sl. No.	For the Financial Year	Annual Net Profit
(i)	2021 - 2022	4,521.39
(ii)	2020 - 2021	3,122.90
(iii)	2019 - 2020	2,434.84
Total		10,079.13
Average Net Profit		3,359.71

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

2% of Average Net Profit works out to ₹ 67.19 Lakhs

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

Nil

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

Nil

(e) Total CSR obligation for the financial year (5b+5c-5d) : ₹ 67.19 Lakhs**6. (a) Amount spent on CSR Projects (both ongoing project and other than ongoing project):**

₹ 67,20,000/- was spent on other than ongoing projects for the financial year 2022 - 2023 and no ongoing project was approved during the financial year.

(b) Amount spent in Administrative Overheads : Nil**(c) Amount spent on Impact Assessment, if applicable : Nil****(d) Total amount spent for the Financial Year (6a+6b+6c) : ₹ 67,20,000****(e) CSR Amount spent or unspent for the financial year : (Amount Unspent (in ₹))**

Total amount spent for the Financial year (amount in ₹)	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 67,20,000/-	Nil		Nil		

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	67,19,420
(ii)	Total amount spent for the Financial Year	67,20,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	580
(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)]	580

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance Amount Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Name of the Fund	Amount (in ₹)	Date of transfer		
Not Applicable									

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

☐ Yes ☒ No

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

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

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

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

2% of average Net Profit has been spent during the financial year 2022 - 2023.

Place: Chennai
Date : May 26, 2023

Arjun B Kothari
 Managing Director
 DIN: 07117816

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

**FORM NO. MR 3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

**[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To

The Members

KOTHARI PETROCHEMICALS LIMITED

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by **KOTHARI PETROCHEMICALS LIMITED** and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended **March 31, 2023**, 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, 2023 according to the provisions of:
 - (i) Companies Act, 2013 ("the Act") and the rules made thereunder, as applicable;
 - (ii) Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

I have relied on the representation made by the Company and its officers, relating to systems and mechanisms framed by the Company, for ensuring compliance with the other Applicable Acts specific to the Industry, Laws and Regulations as applicable to the Company.
4. I have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards with respect to Board Meetings (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India, as approved by the Central Government and the amendments w.r.t. the same; and
 - (ii) The Listing Agreement entered into by the Company with The National Stock Exchange of India Limited under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

5. I further report that:

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

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

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

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

Vasumathy Vasudevan

Practising Company Secretary

FCS No.: 5424 / COP No.: 9451

UDIN : F005424E000299256

Peer Review Certificate No. 680/2020

Place : Chennai

Date : May 12, 2023

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,
Chennai - 600 034.

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

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

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

Vasumathy Vasudevan

Practising Company Secretary

FCS No.: 5424 / COP No.: 9451

Peer Review Certificate No. 680/2020

Place: Chennai

Date : May 12, 2023

Management Discussion and Analysis

Industry Structure & Development :

Polyisobutylene (PIB) is a Polymer made from Isobutylene. Our polymer has a wide variety of uses, mainly in lubricants, dispersants, sealants, plastic, rubber, adhesive, and personal care among others. The Automotive segments uses PIB as Fuel additive as well Lubricant additive either directly or in their formulations, this category generally demands large volumes of PIB. These lubricants are also used outside the engine to aid interaction between other auto components and operate at high temperatures. Our product is well placed in the adhesive and sealant segment, we have established ourselves with a broad number of customers both locally and abroad. The Plastic Masterbatch segment and cosmetic / personal care segment are high growth segments and will be in key focus to your Company to establish a leadership position in a fragmented & unchanged market.

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

Due to the pandemic and other logistics / supply-chain issues, the supply of PIB into India has become very expensive. Your Company capitalized this opportunity and met the domestic demand on priority.

Outlook :

Kothari Petrochemicals Limited (KPL) remains the only PIB manufacturer in India during the year 2022- 2023 and currently meets around 91% of the domestic demand of conventional PIB.

KPL continue to be a reliable PIB supplier, with its well-established supply chain management, in China and the Southeast Asian market. With the increased production capacity and improved product quality, KPL started to increase its customer base abroad significantly. KPL is also exploring the feasibility of stock points in selected regions to ensure product availability always.

Opportunities :

PIB is used as a viscosity modifier, the demand for our higher molecular weight PIB is expected to go up in the coming periods and we are determined to capitalize on this opportunity. Through our discussions with customers, end consumers and other stakeholders, we are confident that the PIB demand in sealant and adhesive segment will grow significantly in the near term.

The plastic masterbatch segment has witnessed a very encouraging response from the market. Growth has been exponential year on year with strong efforts to build a distribution network of our dealers.

Many derivatives of PIB are widely used globally and our company continues to work on developing unique application-based products for these segments.

Risks, Concerns & Threats :

KPL currently depends on the nearby refinery and another source on the western coast for its raw material. Not having our own raw material source is always a risk for KPL but the existing supply sources are tied up with long term supply contracts.

A little in-consistency in the quality of the supply from the refinery is always a concern for us. Similarly, extended payment terms from overseas customers are concerns which is a foreign exchange risk given the monthly charges in our RM pricing.

Though KPL has established its presence in China and Asian markets, tough competition is prevailing in those regions from other manufacturers from Korea, Japan and China.

The PIB global demand has been constant. Due to uncertainties in availability of particular grade of refinery base oil, the consumers started using PIB as an alternative which drove the domestic demand higher than anticipated. Logistics issues like Vessel inavailability, Ocean freight rate fluctuations, came down to a greater extent last year. There were great learnings through the pandemic and we have worked closely with key customers to get around the supply chain bottlenecks and provide robust business continuity plans (BCP) and ensure customer satisfaction and product reliability.

Electric vehicle adoption has increased in the last few years but the usage of PIB directly or indirectly in the Automotive segments remains at the same level. PIB will still play a significant role in the lubricant segment which is still required for Electric Vehicle. Areas such as heavy motors, railways, marine engines Industry lubricants, metal working fluids will continue and expected to grow more.

Despite global economic instability, the Indian economy is relatively in a strong position. But we still hedged our exports to mitigate the risk of currency fluctuation.

The recent developments in Russia - Ukraine tension have disturbed the global oil market and prices have been volatile. This has caused a cascading effect in the supply demand situation in Europe region. On top of this, Europe has increased the import duty by another 3% for the supplies from India. This has further affected our sales in the Europe region.

Internal Control Systems and their adequacy :

The Company has established system of internal control across all its business operations and to safeguard its assets. Periodic Auditing of all key areas are taking place and the Audit report is being thoroughly reviewed by the Audit Committee / Board and the Management to ensure that the internal control system operates effectively.

Clear policies have been laid down for approval and control of expenditure. Investment decisions involving capital 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 :

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

During the year employees attended various in-house 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.

Total number of employees as on 31st March 2023 was 117 in respect of petrochemical operations.

Operational Performance :

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Number of days operated:		
Plant 1	307 days	357 days
Plant 2	307 days	352 days
Total Production in Metric Tons	32,640 MT	30,789 MT
Plant Capacity utilization (basis: Kvis 10 operation)	100%	100%
Accident free operation	365 days	365 days

Financial Performance :

The Company has reported total Revenue from operations of ₹48,214.70 lakhs for the year ended 31.03.2023 as compared to ₹38,152.54 lakhs for the year ended 31.03.2022. The Company's profit after tax (PAT) for the financial year 2022- 2023 is Rs.3,917.69 lakhs as against ₹3,288.51 lakhs in 2021 - 2022.

Key Ratios

Description	U/M	2022-23	2021-22	Remarks
Debtors Turnover	Days	27.25	20.97	Due to increase in Exports and increase in credit period terms for few customers.
Inventory Turnover	Days	22.59	20.90	Due to introduction of vendor managed inventory system.
Interest coverage Ratio	Times	22.59	75.76	Due to servicing of interest on Capacity enhancement project.
Debt Equity Ratio		0.41:1	0.43 :1	Due to improved reserves resulted from increase in Profits.
Operating Profit Margin	%	13.14	14.24	Due to increase in Export market and increase in utility costs.
Net Profit Margin %	%	8.13	8.62	Due to increase in Export market, increase in utility costs and servicing of interest on capacity enhancement project.
Return on Net worth	%	30.10	30.00	at par with last year.

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

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

Place : Chennai
Date : May 26, 2023

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

Composition of the Board and Directorship held as on 31st March 2023:

Name of the Directors	Director Category	No. of Board Meetings Attended	Attendance of previous AGM held on Aug 02, 2022	Number of Directorships in other companies	No. of Committee Memberships in other companies		No. of shares held by the Director
					Chairman	Member	
Mrs. Nina B. Kothari	Promoter & Non - Executive Chairperson	4	Yes	15	-	-	62,57,500
Mr. Arjun B. Kothari	Promoter & Managing Director	4	Yes	14	-	1	9,593
Mr.M.Rajavel	Whole Time Director	4	Yes	-	-	-	Nil
Mr. S. Sundarraman	Independent	4	Yes	-	-	-	4,000
Mr. V. V. SuryaRau	Independent	4	Yes	-	-	-	Nil
Mr. Brij Mohan Bansal	Independent	4	Yes	2	-	1	Nil
Mr. Gautam Roy	Independent	4	Yes	-	-	-	Nil

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 relative of Mrs.Nina B Kothari, Chairperson of the Company. None of the other directors are related inter se in any manner.

The Board of Directors met four times during the year on 25th May 2022, 02nd Aug 2022, 02nd Nov 2022, and 07th Feb 2023.

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

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

Familiarisation programme for Independent Directors

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

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

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

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

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

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

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

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

(iv)	V. V. SuryaRau	An alumnus of IIT (Madras) and a veteran Chemical Engineer with five decades of experience in Petroleum industry. Hands on expertise in the refinery operations and manufacture of petroleum products. Highly skilled in operational excellence, safety and risk management areas. Past Chairman of the Expert committee of The Indian Chemical Manufacturers Association.
(v)	S. Sundarraman	A Chartered Accountant with over 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. Mr. Bansal has served on Boards of many leading Petrochemical Companies. Past Chairman of the Indian Oil Corporation.
(vii)	Gautam Roy	Technocrat having more than 40 years of experience in the Oil Refining Industry with expertise in Refinery Operations and Economics, Project Conceptualization & Execution, Production planning & Optimization, Crude procurement, Technical Services, Operating Cost Minimization, Quality Control, Supply Demand Analysis & Co-ordination and Financial Management. Held the position of Managing Director of Chennai Petroleum Corporation Limited

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

COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE

The Audit Committee comprises of the following Independent Directors and attendance of each director for the year ended 31st March 2023 is as follows:

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

The Chairman of the Audit Committee was present at the 33rd Annual General Meeting of the company held on 02nd Aug 2022. The Audit Committee met four times during the year on 25th May 2022, 02nd Aug 2022, 02nd Nov 2022, and 07th Feb 2023.

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

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

NOMINATION AND REMUNERATION COMMITTEE

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

The Company Secretary is the secretary to the Committee. The Chairman of Nomination and Remuneration Committee was present at the 33rd Annual General Meeting of the Company held on Aug 02, 2022.

The attendance of each Director in the Nomination and Remuneration Committee meeting held during the year ended 31st March 2023 is as follows:

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

The Committee met once during the year on May 23, 2022.

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.
- 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 2022 - 2023

(Amount in ₹)

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

The other transactions with non-executive directors' vis-à-vis the company during the Financial Year ended 31st March, 2023 are disclosed elsewhere in the annual report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

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

The Committee met 06 times during the year 2022 - 2023. 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 2023 is as follows:

Sl. No.	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
(i)	Mrs. Nina B.Kothari	Chairperson	06	06
(ii)	Mr. Arjun B.Kothari	Member	06	06
(iii)	Mr. S. Sundarraman	Member	06	06

The Chairperson of the Stakeholders' Relationship Committee was present at the previous 33rd Annual General Meeting of the company held on Aug 02, 2022.

Details of the Complaints received from the Shareholder(s) / Department(s) during the financial year 2022 - 2023:

Sl.	Subject of Complaints from Members / Regulators	Total Complaints received	Complaints redressed	Redressal under process at the year end
(i)	Non receipt of Duplicate Share Certificate	01	01	-
Total		01	01	-

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. K. Priya, Company Secretary is the Compliance Officer of the Company. For any clarification / complaint the shareholders may contact the Secretarial Department at the Registered Office of the Company.

General Body Meetings:

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

Year / Date / Day / Time	Venue
2021 - 2022 August 02, 2022, Tuesday, 10:30 A.M	The Annual General meeting was held through Video Conferencing ("VC") / Other AudioVisual Means ("OAVM"). The Registered office i.e. No.115, Kothari Buildings, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034 shall be deemed to be venue of the meeting
2020 - 2021 July 29, 2021, Thursday, 11:00 A.M	
2019 - 2020 August 10, 2020, 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 02, 2022	Yes	Re-appointment of Mr. S. Sundarraman, Independent Director of the Company.
Jul 29, 2021	Yes	(i) Re-appointment of Mr. M. Rajavel as Whole Time Director of the Company. (ii) Adoption of new set of Articles of Association of the Company in line with Companies Act, 2013
Aug 10, 2020	Yes	Re-appointment of Mr. Arjun B. Kothari as Managing Director of the Company

No special resolution was passed by the shareholders of the company through postal ballot during the year 2022 - 2023.

MEANS OF COMMUNICATION

- The Unaudited Quarterly Financial Results and Audited Annual Financial Results of the company are published in The Financial Express and Makkal Kural.
- The Company's website address is: www.kotharipetrochemicals.com. The website contains basic information about the company and such other details as required under Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company ensures periodical updation of its website. The Company has designated email-id kplcs@hckgroup.com 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 / New Digital Exchange (NSE Portal) within the time frame prescribed in this regard.
- No presentations have been made to institutional investors or to analysts.

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

Day, Date and Time	Wednesday, 09 th August 2023 @ 02:00 P.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.

(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, 2023	First fortnight of August, 2023
Results for Quarter ending 30 th September, 2023	First fortnight of November, 2023
Results for Quarter ending 31 st December, 2023	First fortnight of February, 2024
Results for Quarter ending 31 st March, 2024	Last Week of May, 2024

(c) Date of Book Closure

The period of Book Closure is fixed from Thursday, 03rd August 2023 to Wednesday, 9th August, 2023 (both days inclusive).

(d) Dividend Payment

The Board of Directors of the Company at its meeting held on 07th February 2023, declared an Interim Dividend at the rate of 5% i.e., ₹ 0.50 (Rupee Fifty Paise only) per equity shares of ₹10/- each for the Financial Year 2022-23 to the shareholders of the Company. Accordingly, the Interim Dividend for the Financial Year 2022-23 was paid on 24th February 2023 to the Shareholders whose names appeared in the Register of Members as on 15th February 2023.

The Board of Directors of the Company at their meeting held on 26th May 2023, recommended the final dividend at the rate of 7.5% i.e., ₹0.75 (Rupee Seventy Five paise only) per equity shares of ₹10/- each for the Financial Year 2022 - 23 to the shareholders of the Company.

The Final Dividend together with Interim Dividend of Re.0.50 paise per equity shares (5%) declared at the Board Meeting held on 07th February 2023 would result in a total dividend of 12.5% i.e., ₹1.25/- (Rupees one and twenty five paise only) per equity shares of face value of Rs.10/- each for the financial year 2022 -2023.

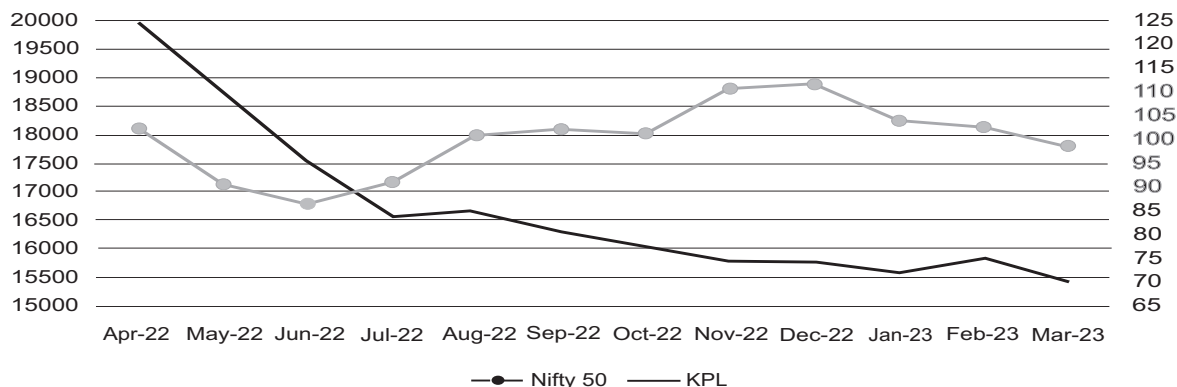
(e) Listing of Shares

The shares of the Company are listed at The National Stock Exchange of India Limited (NSE), Mumbai and the Listing Fees for the Financial Year 2023 - 24 has been paid. (Stock Code: KOTHARIPET), ISIN: INE720A01015.

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

(Amount in ₹)

FY 2022-23	Kothari Petrochemicals Limited Share Price			Nifty 50		
Month	High	Low	Volume of shares traded	High	Low	Volume of shares traded
Apr 2022	124.30	86.00	1,36,05,414	18,114.65	16,824.70	5,65,82,48,002
May 2022	110.00	82.35	33,29,846	17,132.85	15,735.75	6,34,33,14,330
Jun 2022	95.45	65.55	18,77,074	16,793.85	15,183.40	5,51,42,02,239
Jul 2022	84.00	76.35	9,70,730	17,172.80	15,511.05	5,47,52,70,114
Aug 2022	84.85	70.90	13,75,685	17,992.20	17,154.80	5,86,75,50,712
Sep 2022	80.90	69.00	10,80,998	18,096.15	16,747.70	6,90,05,97,267
Oct 2022	77.50	66.90	7,86,510	18,022.80	16,855.55	4,55,58,08,160
Nov 2022	74.50	63.05	12,58,885	18,816.05	17,959.20	5,25,69,99,885
Dec 2022	74.30	62.00	23,33,897	18,887.60	17,774.25	4,74,14,36,295
Jan 2023	72.25	63.10	7,06,445	18,251.95	17,405.55	5,63,28,09,036
Feb 2023	75.00	63.35	13,19,414	18,134.75	17,255.50	5,68,56,29,178
Mar 2023	70.15	54.40	8,87,404	17,799.85	16,828.35	5,80,79,77,094

Performance of the Company Share Price Vs Nifty 50


(h) Distribution of Shareholding as on 31st March 2023**(Amount in ₹)**

₹ of Equity shares held	No. of Shareholders	Paidup Capital
Upto 5000	33,614	3,31,30,630
5001-10000	2,074	1,72,15,980
10001-20000	798	1,22,60,470
20001-30000	229	59,14,940
30001-40000	126	45,79,140
40001-50000	88	41,90,120
50001-100000	123	90,97,750
100001 and above	114	50,20,74,970
Total	37,166	58,84,64,000

(i) Reconciliation of Share Capital Audit

Quarterly audit was conducted by a Practising Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2023, the aggregate of shares held by investors in both physical form and in electronic form with the depositories are reconciled. 5,75,76,125 equity shares representing 97.84% of the paid-up equity share capital have been dematerialized as on 31st March 2023.

(j) Registrar and Share Transfer Agents

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

(k) Foreign Exchange Risk and hedging activities

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

(l) Plant Location

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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(m) Address for Correspondence

Company's Registered Office	Company Share Transfer Agent
The Company Secretary Kothari Petrochemicals Limited Kothari Buildings, 115, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034. Tel Nos. 044 - 3522 5527, 3522 5528 e-mail : secdept@hckgroup.com	M/s.Cameo Corporate Services Limited Unit: Kothari Petrochemicals Limited Subramanian Building, 5 th Floor No.1, Club House Road Chennai - 600 002. Tel. No.: 044-4002 0700 / 4002 0710 Email : investor@cameoindia.com

(n) Credit Rating and revision thereto

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

Sl. No.	Scale	Amount (₹ in Crores)	Previous Rating	Present Revised Rating	Remarks
(i)	Long Term rating for ODCC / Term Loan	50.78	[ICRA] A (stable) [pronounced as ICRA A]	[ICRA] A (stable) [pronounced as ICRA A]	Existing ratings are re-affirmed
(ii)	Short Term rating for Bank Guarantee	20.00	[ICRA] A1 [pronounced as ICRA A one]	[ICRA] A1 [pronounced as ICRA A one]	

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

Vigil Mechanism / Whistle Blower Policy

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

The Vigil Mechanism / Whistle Blower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities / unethical behaviour. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee directly. The Company affirms that no 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) Regulations, 2015. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

Particulars of payment of fees to Statutory Auditor

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

The Audit Committee approved the fee for other services rendered by the Statutory Auditors other than the Statutory Audit. The total fees paid for the year 2022 - 23 to M/s. P.Chandrasekar LLP, Chartered Accountants, is given below:

SI No.	Description of the Service	Fees (Amount in Rs.)
(i)	Statutory Audit	5,00,000
(ii)	Limited Review Report	1,50,000
(iii)	Other Certification	57,500
	Total	7,07,500

Particulars of Loans and Advances to the related entities

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

Discretionary requirements

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

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

A certificate from a Company Secretary in Practice has been obtained confirming that none of the Directors on the board of the company has been debarred or disqualified from 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 2022 - 2023.

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

Nina B.Kothari
Chairperson

Place : Chennai
Date : May 26, 2023

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, 2023.

for **Kothari Petrochemicals Limited**

Arjun B.Kothari
Managing Director

Place : Chennai
Date : May 26, 2023

**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, 2023 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 26, 2023

Arjun B. Kothari
Managing Director

S.Sivamahesh
Chief Financial Officer

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

To the **Members of Kothari Petrochemicals Limited**

I have examined the compliance of conditions as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Corporate Governance by Kothari Petrochemicals Limited, for the year ended March 31, 2023.

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

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

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

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

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

Place : Chennai
Date : May 12, 2023

Vasumathy Vasudevan
Practising Company Secretary
FCS No. 5424 / COP No. 9451
UDIN : F005424E000299322
Peer Review Certificate No.: 680/2020

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

To the **Members of Kothari Petrochemicals Limited**

I have examined the relevant registers, records, forms, returns, declarations and disclosures received from the Directors of Kothari Petrochemicals Limited, having CIN: L11101TN1989PLC017347 and having registered office at Kothari Building, No. 115, Nungambakkam High Road, Chennai - 600 034. (Hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V - Para C 10 (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in of Ministry of Corporate Affairs) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below, for the Financial Year ended March 31, 2023, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of the Director	Director Identification Number (DIN)	Date of Appointment in the Company
1.	Ms. Nina Bhadrashyam Kothari	00020119	27.05.2014
2.	Mr. Arjun Bhadrashyam Kothari	07117816	08.04.2015 (Re-appointment 01.04.2020)
3.	Mr. Muthukumaran Rajavel	08145611	01.08.2018 (Re-appointment 01.08.2021)
4.	Mr. Sitharaman Sundarraman	01032768	22.11.2017 (Re-appointed w.e.f 22.11.2022 at AGM held on 02.08.2022)
5.	Mr. Velamuri Venkata Suryarau	00010274	20.05.2019
6.	Mr. Gautam Roy	06659522	10.08.2020
7.	Mr. Brij Mohan Bansal	00261063	10.08.2020

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

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

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

Vasumathy Vasudevan
Practising Company Secretary

FCS No. 5424 / COP No. 9451

UDIN : F005424E000299401

Peer Review Certificate No.: 680/2020

Place : Chennai

Date : May 12, 2023

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023

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, 2023, 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, 2023, and total comprehensive income (comprising of profit after tax and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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 internal 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.
2	Capital Work in Progress The Company undertaking a De-Bottle Necking project for capacity augmentation. As of 31 st March 2023, the Company has spent ₹ 3,579.24 lakhs towards the project and the same has been capitalized during the year. On account of the materiality of the capital outlay and the importance of the project to Company's business we consider it to be a key audit matter for the year.	Our audit procedures included: <ul style="list-style-type: none"> ➤ Assessment of key internal controls with reference to capital work in progress. ➤ Performed substantive audit procedures on the transactions accounted under the capital work in progress and capitalized. ➤ Verified that the assets meet the recognition criteria set out in Ind AS 16 - Property, Plant and Equipment and other material compliances as per the said accounting standard.

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 the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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

to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

- (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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.

- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the

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

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

(v) The Company has paid interim dividend during the year ending 31st March 2023 in compliance with the provisions of section 123 of the Act. Final dividend proposed by the Board of Directors is subject to the approval of the members in the ensuing Annual General Meeting. The dividend so proposed is in accordance with Section 123 of the Act to the extent applicable.

(vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

S. Raghavendhar
Partner

M. No.: 244016
UDIN: 23244016BGQPZM5725

Place : Chennai
Date : 26th May 2023

Annexure “A” to the Independent Auditor’s Report for the year ended 31st March 2023.

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, 2023.

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, 2023 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

S. Raghavendhar

Partner

Place : Chennai

Date : 26th May 2023

M. No.: 244016

UDIN: 23244016BGQPZM5725

Annexure - B to the Independent Auditors' Report for the year ended 31st March 2023

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, 2023.

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

- (i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment, investment property and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. As explained to us, the property, plant and equipment, investment property and right-of-use assets are physically verified by the Management at reasonable intervals; no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and based on the examination of the documents provided to us, we report that the title deeds of all the immovable properties of land and buildings as disclosed in the Ind AS financial statements are held in the name of the Company as at the Balance Sheet date.
 - d. The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - e. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) a. The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the coverage and procedure of such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- b. The Company has been sanctioned working capital limits in excess of Rupees five crores in aggregate from banks / or financial institutions during the year on the basis of security of the current assets of the Company. The quarterly returns / statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) a. During the year the Company has not provided loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity. Hence reporting under clause (iii) (a) of the Order is not applicable.
- b. The investments made during the year are not prejudicial to Company's interest. Further the Company has not provided guarantees, security or granted loans or advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other parties, consequently requirement to report on these under clause (iii)(b) of the Order is not applicable.
- c. The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (c) of the Order is not applicable to the Company.
- d. The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (d) of the Order is not applicable to the Company.
- e. There were no loans or advances in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3 (iii) (e) of the Order is not applicable to the Company.

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

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

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

S. Raghavendhar
 Partner
 M. No.: 244016

Place : Chennai
Date : 26th May 2023

UDIN: 23244016BGQPZM5725

BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Lakhs)

	Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I	ASSETS			
	Non-Current Assets			
	Property, Plant and Equipment	2(a)	10,490.44	7,522.87
	Capital work-in-progress	2(b)	295.46	1,828.51
	Investment Property	3	1,560.90	1,584.32
	Other Intangible assets other than goodwill	4(a)	62.07	81.36
	Right-of-use assets	4(b)	27.28	82.94
	Financial assets			
	(i) Financial assets other than loans	5	332.30	306.16
	Other non-current assets	12	162.29	246.17
			12,930.74	11,652.33
	Current Assets			
	Inventories	6	3,345.59	2,583.78
	Financial assets			
	(i) Investments	7	4,123.77	3,334.95
	(ii) Trade receivables	8	4,695.67	2,898.19
	(iii) Cash and cash equivalents	9(a)	1,176.61	686.88
	(iv) Bank balance other than (iii) above	9(b)	280.05	228.89
	(v) Loans	10	5.13	9.79
	(vi) Other financial assets	5	17.71	4.57
	Current tax assets (net)	11(a)	14.23	22.34
	Other current assets	12	444.60	880.36
			14,103.36	10,649.75
	Total Assets		27,034.10	22,302.08
II	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	13(a)	5,918.68	5,918.68
	Other equity	13(b)	13,288.32	9,663.90
			19,207.00	15,582.58
	Liabilities			
	Non-Current Liabilities			
	Financial liabilities			
	Borrowings	14	1,547.81	825.93
	Lease Liability	4(b)	-	41.90
	Deferred tax liabilities(Net)	15	1,335.47	984.90
			2,883.28	1,852.73
	Current Liabilities			
	Financial liabilities			
	Borrowings	14	693.80	272.75
	Lease Liability	4(b)	41.90	63.76
	Trade payables	16		
	dues of micro enterprises and small enterprises		365.77	143.64
	dues of creditors other than micro enterprises and small enterprises		3,085.22	3,140.94
	Other financial liabilities	17	438.34	946.04
	Other current liabilities	18	149.38	81.96
	Provisions	19	169.41	188.56
	Current tax liabilities(Net)	11(b)	-	29.12
			4,943.82	4,866.77
	Total Current Liabilities		4,943.82	4,866.77
	Total Equity and Liabilities		27,034.10	22,302.08

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

For and on behalf of the Board of Directors of

Kothari Petrochemicals Limited
CIN : L11101TN1989PLC017347
Arjun B. Kothari

Managing Director

DIN : 07117816

K. Priya

Company Secretary

S. Sundarraman

Director

DIN : 01032768

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

Place: Chennai

Date : May 26, 2023

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(₹ in Lakhs)

	Particulars	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
I	Revenue from Operations	20	48,214.70	38,152.54
II	Other Income	21	643.32	454.30
III	Total Income (I+II)		48,858.02	38,606.84
IV	Expenses			
	Cost of materials consumed	22	31,782.81	26,188.89
	Purchases of stock in trade		66.64	153.98
	Changes in inventories of finished goods	23	(94.93)	(1,661.98)
	Employee benefit expenses	24	2,034.65	1,828.55
	Finance cost	25	256.01	61.62
	Depreciation & amortisation expense	26	660.46	553.68
	Utilities and Stores	27a	3,578.08	2,695.49
	Other expenses	27b	5,154.93	3,969.06
	Total Expenses		43,438.65	33,789.29
V	Profit before exceptional items and tax (III-IV)		5,419.37	4,817.55
VI	Exceptional items (Gain/(Loss) on scrapping of old assets)	41	101.55	(210.55)
VII	Profit Before Tax		5,520.92	4,607.00
VIII	Tax Expense	28		
	a) Current tax		1,253.05	1,259.00
	b) Deferred tax		350.18	59.49
	Total Tax Expenses		1,603.23	1318.49
IX	Profit for the period from continuing operations (VII-VIII)		3,917.69	3,288.51
X	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	(i) Re-measurement gains/(losses) on defined benefit plans		1.35	(26.18)
	(ii) Income tax effect on above		(0.39)	7.62
	Total Other Comprehensive Income		0.96	(18.56)
XI	Total Comprehensive Income for the year (IX+X)		3,918.65	3,269.95
	Earnings per equity share	29		
	Basic (₹)		6.66	5.59
	Diluted (₹)		6.66	5.59
	Notes 1 to 42 form an integral part of these Financial Statements			

For and on behalf of the Board of Directors of

Kothari Petrochemicals Limited
CIN : L11101TN1989PLC017347
Arjun B. Kothari
 Managing Director
 DIN : 07117816

K. Priya
 Company Secretary

S. Sundarraman
 Director
 DIN : 01032768

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

Place : Chennai
Date : May 26, 2023

(₹ in Lakhs)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A. Equity Share Capital					
Balance as at 1 st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at 1 st April 2022	Changes in equity share capital during the year	Balance as at 31 st March 2023	
5,918.68	-	-	-	5,918.68	
Balance as at 1 st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at 1 st April 2021	Changes in equity share capital during the year	Balance as at 31 st March 2022	
5,918.68	-	-	-	5,918.68	
B. Other Equity					
Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total	
	Capital reserves	Retained earnings			
Balance as at 1 st April 2022	0.40	9,663.50	-	9,663.90	
Changes in accounting policy or prior period errors	-	-	-	-	
Restated balance as at 1 st April 2022	-	-	-	-	
Total Comprehensive Income/(Losses) for the year*	-	3,918.65	-	3,918.65	
Dividends Paid	-	(294.23)	-	(294.23)	
Transfer to Retained earnings	-	-	-	-	
Balance as at 31 st March 2023	0.40	13,287.92	-	13,288.32	
Balance as at 1 st April 2021	0.40	6,400.86	(7.31)	6,393.95	
Changes in accounting policy or prior period errors	-	-	-	-	
Restated balance as at 1 st April 2021	-	-	-	-	
Total Comprehensive Income/(Losses) for the year*	-	3,269.95	-	3,269.95	
Dividends Paid	-	-	-	-	
Transfer to Retained earnings	-	(7.31)	7.31	-	
Balance as at 31 st March 2022	0.40	9,663.50		9,663.90	

* - Re-measurement of defined benefit plan for the year Gain ₹ 0.96 lakhs (previous year Loss of ₹18.56 lakhs) has been recognized as part of retained earnings for the year ended 31st March 2023 and 31st March 2022 respectively.

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

For and on behalf of the Board of Directors of

Kothari Petrochemicals Limited

CIN : L11101TN1989PLC017347

Arjun B. Kothari

Managing Director

DIN : 07117816

K. Priya

Company Secretary

Place : Chennai

Date : May 26, 2023

S. Sundarraman

Director

DIN : 01032768

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023

(₹ in Lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	5,520.92	4,607.00
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	660.46	553.68
Operating lease rentals from Investment Property	(215.34)	(211.46)
Interest income	(88.18)	(21.16)
Gain on Investments (net)	(131.67)	(104.39)
Bad Debts written off	-	62.30
(Gain)/loss on sale of Property, Plant and Equipment	(101.55)	209.95
Unrealised foreign exchange differences(Gain)/loss (net)	(37.04)	(15.56)
Finance cost / Financial guarantee expenses	246.36	46.18
Interest expense on Lease liability	65.31	15.44
Operating profit before working capital changes	5,919.27	5,141.98
Adjustments for changes in working capital:		
(Increase)/decrease in operating assets-		
Inventories	(761.80)	(778.76)
Trade receivable	(1,760.45)	(1,064.05)
Financial assets-loans	4.67	1.99
Financial assets-others	(35.74)	(16.46)
Other Assets	273.48	(648.46)
Increase/(decrease) in operating liabilities-		
Trade payables	166.38	467.05
Financial liabilities-others	40.19	61.71
Other liabilities	49.63	(61.02)
Less:Taxes paid	3,895.63	3,103.98
	1,274.06	1,250.83
Net cash from / (used in) operating activities	2,621.57	1,853.15
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of assets (including capital work-in-progress)	(2,046.20)	(2,046.56)
Net Movement in Capital - Creditors and Advances	(301.25)	347.78
Redemption / (Purchase) of investments (Net)	(657.16)	(1,700.24)
Proceeds on sale of Property, Plant and Equipment	95.48	10.61
Margin money with bank	(9.55)	(43.86)
Operating lease rentals from Investment Property	215.34	211.46
Interest received	84.65	19.88
Net cash from / (used in) investing activities	(2,618.69)	(3,200.93)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	1,415.69	978.12
Repayment of long term borrowings	(272.76)	(103.56)
Payment of Lease Liability	(73.41)	(73.41)
Dividend paid	(294.23)	-
Finance cost / Financial guarantee expenses	(231.49)	(44.18)
Earmarked balances with bank-Dividend warrant account	(56.95)	-
Net cash from / (used in) financing activities	486.85	756.97
D. NET CASH FLOWS DURING THE YEAR(A+B+C)	489.73	(590.81)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	686.88	1,277.69
Cash & Bank balances [Note 9(a)]	686.88	1,277.69
Cash Credit balance	-	-
F. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR(D+E)	1,176.61	686.88
Cash & Bank balances	1,176.61	686.88
Cash Credit balance	-	-

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

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

For and on behalf of the Board of Directors of

Kothari Petrochemicals Limited

CIN : L11101TN1989PLC017347

Arjun B. Kothari

Managing Director

DIN : 07117816

K. Priya

Company Secretary

Place : Chennai

Date : May 26, 2023

As per our report of even date attached

For P. Chandrasekar LLP

Chartered Accountants

FRN : 000580S/S200066

S. Sundarraman

Director

DIN : 01032768

Sivamahesh. S

Chief Financial Officer

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 Manufacturer of Polyiso 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 2023 have been approved for issue by the Board of Directors of the Company on 26th May 2023 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 fairvalues at the end of each reporting period, as explained in the accounting policies below.

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

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

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

The principal accounting policies are set out below:

3. Revenue Recognition :

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

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

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

Dividend, interest and other income

- Dividend income from investments is recognized when the right to receive payment has been established.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable in line with the effective interest rate method.
- Operating Lease rental income is accounted on straight line basis over the term of the relevant lease.
- Insurance claims are accounted on the basis of claims admitted 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS**4. Leases :**

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

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

Lease rentals having lease term within 12 months are charged or recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

5. Borrowing costs:

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

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

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

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

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

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

Defined benefit costs are categorized as follows:

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

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

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

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

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

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

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

7. Earnings per Share :

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

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

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

8. Taxation :

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

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

(a) Current tax

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(b) Deferred tax

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

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

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

(c) Current and deferred tax for the year

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

9. Property, Plant and Equipment :

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

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

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

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

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

Estimated useful lives of the assets are as follows:

Particulars of Asset	Estimated useful lives
Freehold Land	Infinite
Building	3-60 years
Plant & Equipment	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.

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

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

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

Gains / Losses arising on the disposal or retirement of an item of Property, Plant and Equipment are determined as the difference between the sales proceeds 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

10. Investment Property :

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation over useful life of 60 years and impairment losses, if any. Though, the Company measures investment property using cost-based measurement, the fairvalue 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 recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Software and licenses are amortized over useful life of 5 years.

12. Inventories :

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

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

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

13. Provisions, contingent liabilities and contingent assets :

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

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

Contingent liabilities in relation to claims against the Company, includes legal, contractual and claims arising from custom. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events. Contingent liabilities are disclosed in the notes. Contingent assets are not recognized in the financial statements.

14. Financial instruments :

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

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

15. Financial assets:

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(a) Classification of financial assets

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

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

All other financial assets are subsequently measured at fair value.

(b) Effective interest method

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

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

(c) Impairment of financial assets

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

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

(d) Derecognition of financial assets

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

(e) Derivative financial instruments

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

16. Financial liabilities :

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

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

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

De recognition of financial liabilities

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

17. Cash flow statement

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 periods if the revision affects both current and future periods.

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

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

Fair value measurement and valuation processes:

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

20. Operating Cycle

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

21. Recent accounting pronouncements

On March 31, 2023, Ministry of Corporate Affairs "MCA" amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023 on the below :

Ind AS 1 - Presentation of financial statements:

The amendments require the company to disclose 'material' accounting policy instead of 'significant' accounting policies. The Company does not expect to have any significant impact in its financial statements.

Ind AS 8 - Accounting policies, changes in accounting estimates and errors:

Definition of change in accounting estimates is replaced with the definition of accounting estimates. "A change in" ending with the words "corrections of errors" is replaced with "Accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 12 - Income tax : The amendments clarifies on accounting of deferred tax on transactions pertaining to leases and decommissioning obligations. The Company does not expect to have any significant impact in its financial statements.

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

(₹ in Lakhs)

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

(₹ in Lakhs)

Gross block	Land Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total
As at 1 st April 2021	278.47	2,114.27	6,690.19	77.36	184.80	100.10	187.73	9,632.92
Additions	-	61.08	370.24	8.68	9.45	9.92	11.50	470.87
Disposal	-	0.74	367.77	-	-	-	-	368.52
As at 31 st March 2022	278.47	2,174.61	6,692.66	86.04	194.23	110.02	199.23	9,735.28
Accumulated depreciation/amortisation								
As at 1 st April 2021	-	574.91	1031.18	30.17	101.31	82.65	60.29	1,880.51
For the year	-	129.27	253.24	9.11	26.94	11.81	9.88	440.25
Impairment for the year	-	-	-	-	-	-	-	-
Deduction on disposal	-	0.74	107.63	-	-	-	-	108.37
As at 31 st March 2022	-	703.44	1,176.79	39.29	128.25	94.46	70.17	2,212.40
Net block								
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
As at 31 st March 2022	278.47	1,471.17	5,515.86	46.76	65.98	15.56	129.07	7,522.87

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

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Capital work-in-progress	295.46	1,828.51
	295.46	1,828.51
As at beginning	1,828.51	252.82
Additions	2,046.20	2,046.56
Capitalised during the year	(3,579.24)	(470.87)
As at the closing	295.46	1,828.51

Note : During the year, expenditure lying in capital work in progress pending for capitalisation was capitalised during June 2022.

CWIP ageing schedule as on 31st March 2023

(₹ in Lakhs)

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

CWIP ageing schedule as on 31st March 2022

(₹ in Lakhs)

CWIP	Amount in CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,828.51	-	-	-	1,828.51

Note - 3: Investment Property (IP)

(₹ in Lakhs)

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	Land	Building	Total
Gross block			
As at 1 st April 2021	321.98	1,435.13	1,757.11
Additions	-	-	-
Disposals	-	-	-
As at 31 st March 2022	321.98	1,435.13	1,757.11
Accumulated depreciation			
As at 1 st April 2021	-	148.80	148.80
Depreciation for the period	-	23.99	23.99
As at 31 st March 2022	-	172.79	172.79
Net block			
As at 31 st March 2021	321.98	1,286.33	1,608.31
As at 31 st March 2022	321.98	1,262.34	1,584.32

Information regarding income and expenditure of investment property

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Operating lease rentals from Investing Property	212.37	208.32
Direct expenses:		
contribute to the rental income (including repairs and maintenance)	13.24	13.24
Profit before depreciation and indirect expenses	199.13	195.09
Less: Depreciation	23.41	22.09
Profit before indirect expenses	175.72	173.00

Fair value of Investment Property

The fair value of the Company's total investment property as at 31st March 2023 is ₹2,805.89 lakhs (₹2,665.87 lakhs as at 31st March 2022). The valuation has been carried out by Mr.Khatib Ahmed, Chartered Engineer.The valuer is not registered under companies (Registered Valuers and valuation) Rules, 2017.

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

(₹ in Lakhs)

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Software and licences	
Gross block	
As at 1 st April 2021	167.09
Additions	-
Disposals	-
As at 31st March 2022	167.09
Accumulated depreciation	
As at 1 st April 2021	51.95
Amortisation for the period	33.78
Reversal on disposal of assets	-
As at 31st March 2022	85.73
Net block	
As at 31st March 2021	115.14
As at 31st March 2022	81.36

Note - 4(b):

(₹ in Lakhs)

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

(₹ in Lakhs)

Right-of-use assets :	
As at 1 st April 2021	138.60
Additions	-
Disposals	-
Depreciation	55.66
As at 31st March 2022	82.94

(₹ in Lakhs)

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

Note :

"Effective 1st April 2019, Company has recognized right of use of assets (an amount equal to the lease liability) of ₹ 249.92 lakhs. During the year 2022-23, operating lease expenses has been changed from rent (included in Other expenses) to depreciation cost (₹ 55.66 lakhs) for the right of use of assets and finance cost of (₹ 9.65 lakhs) for interest accrued on lease liability."

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Lease Liability :	
As at 1 st April 2021	163.63
Additions	-
Disposals	-
Interest Expense accrued	15.44
Payment of Lease liabilities	73.41
As at 31st March 2022	105.66
Non - current	41.90
Current	63.76
Note : "Effective 1 st April 2019, Company has recognized right of use of assets (an amount equal to the lease liability) of ₹ 249.92 lakhs. During the year 2021-22, 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 (₹ 15.44 lakhs) for interest accrued on lease liability."	

Note - 5: Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2023		As at 31 st March 2022	
	Non-current	Current	Non-current	Current
Security deposits	332.30	-	306.16	-
Margin Money deposits with more than 12 months maturity	-	-	-	-
Interest receivable	-	7.79	-	4.57
Derivative assets	-	9.92	-	-
Total	332.30	17.71	306.16	4.57

(Unsecured and considered good unless otherwise stated)

Note - 6: Inventories

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Raw materials	325.58	35.33
Raw material in transit	462.77	-
Finished goods	625.08	1,784.55
Finished goods in transit	1,606.89	352.50
Stores and spares	298.85	405.17
Packing material	26.42	6.23
Total	3,345.59	2,583.78

NOTES FORMING PART OF FINANCIAL STATEMENTS**Note - 7: Investments - Current**

(₹ in Lakhs)

Particulars	No. of Units	As at 31 st March 2023	No. of Units	As at 31 st March 2022
Investments carried at Fair value through Profit & Loss :-				
Equity Shares(Quoted):				
-India Grid Trust	53512	72.13	21182	31.18
-PowerGrid Infrastructure Investment Trust	47004	57.59	16040	21.48
-India Grid Trust - PMS	50700	68.33	50700	74.64
-PowerGrid Infrastructure Investment Trust - PMS	57500	70.45	57500	76.99
Total		268.50		204.29
Mutual Funds (Un Quoted):				
Bandhan Ultra Short Term Fund - Direct - Growth (Earlier named as IDFC)	1725693	225.76	1725693	214.18
ICICI Pru Savings Fund - Direct - Growth	48869	226.06	48869	213.91
Bandhan Bond Fund - Short Term Plan - Direct - Growth (Earlier named as IDFC)	214477	109.45	214477	105.09
Bandhan Corporate Bond Fund - Direct - Growth (Earlier named as IDFC)	656527	109.00	656527	105.31
ICICI Pru Corporate Bond Fund - Direct - Growth	214583	55.85	214583	52.76
ICICI Pru Short Term Fund - Direct - Growth	103754	56.41	103754	52.96
ABSL Banking & PSU Debt fund - Direct - Growth	69224	220.54	69224	210.67
ABSL Short Term Fund - Direct - Growth	522828	223.60	522828	211.95
SBI Corporate Bond Fund - Direct - Growth	409782	54.61	409782	52.35
SBI Short Term Debt Fund - Direct - Growth	192291	54.81	192291	52.36
UTI Short Term Income Fund - Direct - Growth	382182	107.49	382182	102.26
Nippon India Money Market Fund - Direct - Growth	-	-	11952	400.46
ICICI Pru Liquid Fund - Direct - Growth	-	-	54088	170.51
Tata Banking & PSU Debt Fund - Direct - Growth	860440	106.56	860440	102.20
Bandhan Liquid Fund - Direct - Growth (Earlier named as IDFC)	4098	111.42	146	3.75
ICICI Pru PSU Bond Plus SDL 40:60 Index Fund - Sep 2027-DG	999950	104.71	999950	101.74
ABSL NIFTY SDL Plus PSU Bond Sep 2026 60:40 Index	999950	104.87	999950	101.76
ABSL Corporate Bond Fund - Direct - Growth	232725	222.50	112901	102.97
ABSL CRISIL AAA June 2023 Index Fund - Direct - Gr	999950	105.31	999950	100.40
ABSL Money Manager Fund - Regular - Growth	-	-	33770	100.05
ABSL Money Manager Fund - Direct - Growth	-	-	66929	200.06
ABSL Corporate Bond Fund - Regular - Growth	111891	105.61	-	-
Axis Fixed Term Plan - Series 114 - (83 Days)	999950	100.20	-	-
Bandhan Crisil IBX Gilt April 2026 Index Fund - Direct Plan - G	999950	103.68	-	-
DSP Corporate Bond Fund - Direct - Growth	1540708	210.43	-	-
Nippon India Corporate Bond Fund - Direct - Growth	509477	265.50	-	-
Nippon India Short Term Fund - Direct - Growth	334688	159.26	-	-
Nippon India NIFTY G-Sec Sep 2027 Maturity Index Fund	999950	101.91	-	-
ABSL Liquid Fund - Direct - Growth	-	-	1402	4.81
HDFC Overnight Fund - PMS	-	-	57	1.80
Total		3,245.54		2,764.30
Corporate Bonds (Un Quoted)(At cost):				
India Shelter Finance Corp. Ltd	-	-	150	157.59
Piramal Capital & Housing Finance Ltd	9900	104.68	9900	105.21
Shriram Transport Finance Co. Ltd	10	101.45	10	103.57
Edelweiss Nifty PSU Bond Plus SDL Apr 2027 50:50 Index Fund - Direct Plan - PMS	955053	100.30	-	-
Edelweiss Bharat Bond FOF - April 2030 - Direct Plan - PMS	801750	100.31	-	-
Total		406.74		366.67
Investments in Debentures (Un Quoted):				
7.75% PFC GOI Bonds 22.03.2027	10	102.45	-	-
8.30% Tata Capital Financial Services Ltd 2026	100	100.55	-	-
	-	203.00	-	-
		4,123.77		3,334.95
Aggregate cost of Quoted Investments	-	282.48	-	195.41
Aggregate cost of Un Quoted Investments	-	3659.28	-	3029.42
Aggregate market value of Quoted Investments	-	268.50	-	204.29
Aggregate value of Un Quoted Investments	-	3,855.27	-	3,130.66

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

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
(a) Trade Receivable - Current	4,695.67	2,898.19
	4,695.67	2,898.19
(Unsecured and considered good unless otherwise stated)		
(b) Significant Increase in credit risk	-	-
(c) Credit Impaired	-	-
Less: Provision	-	-

Trade Receivable Ageing is as follows:
Ageing for Trade Receivables as at 31st March 2023

(₹ in Lakhs)

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

Ageing for Trade Receivables as at 31st March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	2,895.88	1.42	0.89	-	-	-	2,898.19
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	2,895.88	1.42	0.89	-	-	-	2,898.19

NOTES FORMING PART OF FINANCIAL STATEMENTS**Note - 9(a): Cash and cash equivalents**

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balances with banks in current account	1,176.12	283.67
Deposits with banks less than 3 months Maturity	-	400.10
Cash on hand	0.49	3.11
Total	1,176.61	686.88

Note - 9(b): Other bank balances

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Earmarked balances with bank-Dividend warrant account	30.91	46.26
Margin money with bank	249.14	182.64
Total	280.05	228.89

Note - 10: Loans

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Loans to employees	Current	Current
	5.13	9.79
Total	5.13	9.79

(Unsecured and considered good unless otherwise stated)

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

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Advance payment of tax and tax deducted at source (net of provision)	Current	Current
	14.23	22.34
Total	14.23	22.34

Note 11(b): Current Tax Liability (Net)

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Provision for Income Tax (Net of Advance tax & Tax deducted at source)	Current	Current
	-	29.12

Note - 12: Other Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2023		As at 31 st March 2022	
	Non-current	Current	Non-current	Current
a) Capital Advances:				
Capital advances	162.29	-	246.17	-
b) Other than Capital Advances:				
Prepaid Expenses	-	199.35	-	121.60
Balance with statutory/government authorities	-	159.95	-	669.76
Less: Provision for Rebate claim	-	(1.67)	-	(1.67)
	-	357.63	-	789.69
Advances to supplier of inputs	-	66.35	-	90.67
Freight Recoverable	-	20.62	-	-
Total	162.29	444.60	246.17	880.36

(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 2023		As at 31 st March 2022	
	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) Reconciliation of Number of shares outstanding:

(₹ in Lakhs)

Equity Shares	As at 31 st March 2023		As at 31 st March 2022	
	Numbers	Value in ₹ lakhs	Numbers	Value in ₹ lakhs
Opening Number of shares & value	5,88,46,400	5,884.64	5,88,46,400	5,884.64
Shares issued & value	-	-	-	-
Shares bought back & value	-	-	-	-
Others	-	-	-	-
Closing number of shares & value	5,88,46,400	5,884.64	5,88,46,400	5,884.64

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

Equity shares - The Company has issued only one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. All equity share have equal rights to receive or participate in any dividend or other distribution in respect of such shares.

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

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

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

Equity Shares	As at 31 st March 2023		As at 31 st March 2022	
	Nos. of Shares	% holdings	Nos. of Shares	% holdings
(i) BHK Trading LLP	3,55,03,812	60.33%	3,55,03,812	60.33%
(ii) Nina B. Kothari	62,57,500	10.63%	62,57,500	10.63%

(e) Details of shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts: Nil
(f) Equity Shares movement during 5 years immediately preceding the financial year ended 31st March 2023:

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS**(j) Disclosure of Shareholding of Promoters:**

(₹ in Lakhs)

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

Equity Shares held at the end of the year	As at 31 st March 2022		
Promoter Name	No. of shares	% of the total shares	% Change during the year
(i) BHK Trading LLP	3,55,03,812	60.33%	-
(ii) Nina B Kothari	62,57,500	10.63%	-
(iii) Arjun B Kothari	9,593	0.02%	-
(iv) Kothari Sugars & Chemicals Ltd	1,000	0.00%	-
(v) Nayanthara B Kothari	100	0.00%	-
(vi) Anandita Kothari	-	-	-

Note - 13(b): Other Equity

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
A) Capital Reserve*	0.40	0.40
B) Retained earnings:		
Balance at the beginning of the year	9,663.50	6,393.55
Total Comprehensive Income for the year	3,918.65	3,269.95
Dividend paid	(294.23)	-
Balance at the end of the year	13,287.92	9,663.50
Total (A+B)	13,288.32	9,663.90

* - Capital reserve comprises profits of capital nature and is not considered a free reserve for the purpose of dividend distribution.

Note - 14: Borrowings

(₹ in Lakhs)

Particulars	As at 31 st March 2023		As at 31 st March 2022	
	Non-current	Current	Non-current	Current
a) Secured				
Term loan from Indian Bank*	2,241.61	693.80	1,098.68	272.75
Less: Current maturities of long term borrowings moved to current borrowings	693.80	-	272.75	-
	1,547.81	693.80	825.93	272.75

* Includes the following borrowing facilities availed by the Company:

- Sanctioned amount ₹250.00 lakhs disbursed during July 2020 for Covid emergency loan. 80% secured by stocks and book debts and 20% clean. Balance outstanding as on 31st March 2023 was ₹16.99 Lakhs. Rate of interest linked to one year MCLR of Bank, with annual reset interest ranging between 7.50% to 7.55%. Principal repayable in 30 equal monthly instalments starting from February 2021.
- Sanctioned ₹2,707.00 lakhs during February 2022 as Capacity Enhancement Project Term Loan. Rate of interest rate is ranging at 7% to 9.50% with repo linked. Availed during the year ₹1,415.69 Lakhs and balance outstanding as on 31st March 2023 was ₹2,224.61 lakhs. The term loan is secured with exclusive charge on project assets created out of this loan. Monthly installment repayment of ₹56.40 lakhs starting from January 2023.

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

(₹ in Lakhs)

Particulars	01 st April 2021	Recognised in Other Comprehensive Income	Recognised in Statement of Profit & Loss	31 st March 2022
Deferred tax asset / (liability) arising on account of:				
Property, plant and equipment	(962.91)	-	(44.02)	(1,006.94)
Provision for employee benefits	30.55	-	(0.46)	30.08
Defined benefit obligation	-	7.62	-	7.62
MTM gains/losses on derivatives	0.05	-	0.68	0.73
ROU Assets and Lease Liabilities	3.12	-	3.50	6.61
Fair value (Gain)/loss on Investments	(7.20)	-	(17.22)	(24.42)
Other items	3.37	-	(1.97)	1.41
Deferred Tax Asset / (Liability)	(933.02)	7.62	(59.49)	(984.90)

(₹ in Lakhs)

Particulars	01 st April 2022	Recognised in Other Comprehensive Income	Recognised in Statement of Profit & Loss	31 st March 2023
Deferred tax asset / (liability) arising on account of:				
Property, plant and equipment	(1,006.94)	-	(336.47)	(1,343.41)
Provision for employee benefits	37.71	-	(11.88)	25.83
Defined benefit obligation	-	(0.39)	-	(0.39)
MTM gains/losses on derivatives	0.73	-	(3.61)	(2.88)
ROU Assets and Lease Liabilities	6.61	-	(2.36)	4.25
Fair value (Gain)/loss on Investments	(24.42)	-	3.55	(20.87)
Other items	1.41	-	0.59	2.00
Deferred Tax Asset / (Liability)	(984.90)	(0.39)	(350.18)	(1,335.47)

Note - 16: Trade Payables

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Total outstanding dues of micro and small enterprises	365.77	143.64
Total outstanding dues of creditors other than micro and small enterprises	3,085.22	3,140.94
Total	3,450.99	3,284.58

Trade payables due for payment
Ageing for Trade payables outstanding as on 31st March 2023

(₹ in Lakhs)

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Ageing for Trade payables outstanding as on 31st March 2022

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	UnBilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.02	123.83	19.79	-	-	-	143.64
(ii) Others	85.86	1,957.26	1,076.06	3.09	0.41	2.08	3,124.76
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	1.05	12.62	2.49	16.17
Total	85.88	2,081.09	1,095.85	4.14	13.04	4.57	3,284.58

Note - 17: Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Interest accrued but not due	18.29	3.42
Unclaimed dividend	30.92	46.26
Trade deposits	45.04	43.52
Deferred revenue arising from interest free deposits	9.40	12.37
Non statutory dues	22.19	23.91
Derivative liability	-	2.50
Creditors for Capital Goods *	97.01	644.43
Managerial commission payable	215.49	169.64
Total	438.34	946.04

* - Not due as at 31st March 2023.

Note - 18: Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Customer advances	91.84	33.56
Statutory dues	57.54	48.40
Total	149.38	81.96

Note - 19: Provisions

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
	Current	Current
Provision for employee benefits		
Gratuity-refer note (a) below	5.45	63.95
Bonus payable	45.37	32.10
Compensated absences	36.51	33.44
Provision related to other expenses	82.08	59.07
Total	169.41	188.56

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	2022-23	2021-22
Present value of obligations at the beginning of the year	305.36	835.36
Equitable interest of Kothari Sugars & Chemicals Limited	-	(575.73)
Current service cost	24.26	25.65
Interest Cost	22.26	17.27
Re-measurement (gain) / loss:		
Actuarial (gain) / loss arising from change in financial assumption	6.81	(8.73)
Actuarial (gain) / loss arising from experience adjustment	(16.43)	32.26
Benefits paid out of common policy	(19.31)	(20.71)
Present value of obligations at the end of the year	322.95	305.36
Changes in the fair value of planned assets		
Fair value of plan assets at the beginning of the year	241.42	551.54
Equitable interest of Kothari Sugars & Chemicals Limited	-	(291.91)
Interest income	18.45	4.16
Return on plan assets	(8.28)	(2.65)
Contributions by the employer	63.95	1.00
Benefits paid out	(19.31)	(20.71)
Others	21.27	-
Fair value of plan assets at the end of the year	317.50	241.42
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	322.95	305.36
Less: Fair value of plan assets at end of the year	317.50	241.42
Share of obligation pertaining to Group Company under common Gratuity Trust	-	-
Funded status of the plans - Liability recognized in the balance sheet	5.45	63.95
Components of defined benefit cost recognized in profit or loss		
Current service cost	24.26	25.65
Net interest expenses	3.81	13.12
Net cost in Profit or Loss	28.07	38.77
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	(6.81)	8.73
Actuarial gain/ (loss) arising from experience adjustment	16.44	(32.26)
Return on plan assets	(8.28)	(2.65)
Net gain/ (loss)	1.35	(26.18)

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

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

Summary of Financial & Demographic Assumptions:

Particulars	Valuation Date	
	31-03-2023	31-03-2022
Discount Rate	7.70%	7.29%
Salary Escalation - First 5 Years	6.00%	5.50%
Salary Escalation - After 5 Years	6.00%	5.50%
Expected Rate of Return on Plan Assets	NA	NA
Mortality Table	IALM (2012-14) Table	IALM (2012-14) Table
Disability Rate	No explicit loading	
Withdrawal Rate	2%	2%
Retirement Age	58	58
Average Future Service	21.09	21.49

Experience Adjustments on Present Value of DBO and Plan Assets

Particulars	Financial Year Ending 31.03.2023	Financial Year Ending 31.03.2022
(Gain) / Loss on Plan Liabilities	-16,43,357	32,08,557
% of Opening Plan Liabilities	-5.38%	12.36%
Gain / (Loss) on Plan Assets	7,54,595	2,65,065
% of Opening Plan Assets	2.87%	1.02%

Sensitivity Analysis

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

Results of Sensitivity Analysis:

Scenario	Assumption	DBO	Variation
Under Base Scenario	-	3,22,94,863	0.00%
Salary Increase Rate - Plus 100 Basis Points	7.00%	3,49,11,822	8.10%
Salary Decrease Rate - Minus 100 Basis Points	5.00%	3,00,29,108	-7.02%
Withdrawal Rates - Plus 100 Basis Points	3.00%	3,26,75,218	1.18%
Withdrawal Rates - Minus 100 Basis Points	1.00%	3,18,59,320	-1.35%
Discount Rates - Plus 100 Basis Points	8.50%	3,00,00,571	-7.10%
Discount Rates - Minus 100 Basis Points	6.50%	3,49,90,717	8.35%

Note - 20: Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
(a) Sale of PIB and allied products	47,900.09	37,973.72
(b) Other operating revenues	314.61	178.82
Revenue from operations	48,214.70	38,152.54

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

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Domestic	35,665.18	32,002.97
Exports	12,234.91	5,970.75
Total	47,900.09	37,973.72

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

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Number of Customers	1	1
Sales Value	7,673.20	9,325.67

Note - 20(a): Other Operating Revenues

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Scrap sales	41.48	44.25
Export incentives	273.13	134.57
Total	314.61	178.82

Note - 21: Other Income

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Operating lease rentals from Investment Property	215.34	211.46
Interest income earned on financial assets	88.18	21.16
Net gain on foreign currency transaction and translation	146.87	95.72
Liabilities / provisions no longer required written back	16.94	6.94
Profits on sale of Property, Plant & Equipment	-	0.60
Gain/(Loss) on sale of investments (net)	60.00	20.53
Gain/(Loss) on sale /Fair value of investments (net)	71.65	83.86
Insurance claim	14.10	12.84
Others	30.24	1.18
Total	643.32	454.30

Note - 22: Cost of Raw Materials and Components Consumed

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Opening stock of raw material and components	35.33	279.68
Add: Purchases during the year	32,073.06	25,944.54
Less: Closing stock of raw materials and components	325.58	35.33
Cost of Raw Materials and Components Consumed	31,782.81	26,188.89

Note - 23: Changes in Inventories of Finished goods

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Opening stock	2,137.05	475.07
Closing stock	2,231.98	2,137.05
Net change	(94.93)	(1,661.98)

NOTES FORMING PART OF FINANCIAL STATEMENTS**Note - 24: Employee Benefit Expenses**

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Salaries and wages	1,651.82	1,434.39
Contribution to provident and other funds	114.41	133.78
Staff welfare expenses	254.32	250.57
Sitting fees to Directors	14.10	9.80
Total	2,034.65	1,828.55

- (a) Contribution to Provident Fund is in the nature of defined contribution plan and are made to Employees Provident Fund Scheme, 1952. Under the Scheme the Company is required to contribute a specified percentage of payroll cost to the Scheme. The interest as declared by the Government from time to time accrues to the employees under the Scheme.
- (b) Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to Reliance Nippon Life Insurance Company Limited. Under the Scheme the Company is required to contribute a specified percentage of payroll cost to underwriters to enable them to make settlement to the qualifying employees.
- (c) Contribution to Employees' Group Gratuity-cum Life Assurance scheme is in the nature of Defined Benefit plan and is remitted to Reliance Nippon Life Insurance Company Ltd. 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 2023	Year ended 31 st March 2022
Interest expenses	203.32	15.34
Interest expenses accrued on lease liability- Refer Note 4(b)	9.65	15.44
Other borrowing cost (Bank charges)	43.04	30.84
Total	256.01	61.62

Note - 26: Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Depreciation on Property, Plant and Equipment	546.10	440.25
Depreciation on Investment Property	23.41	23.99
Amortisation on Intangible assets	35.29	33.78
Depreciation on Right of use assets - Refer Note 4(b)	55.66	55.66
Total	660.46	553.68

Note - 27a: Utilities and Stores

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Power & fuel	2,877.65	1,834.73
Stores consumed	700.43	860.76
Total	3,578.08	2,695.49

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

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Freight and carriage outwards	737.04	308.76
Packing materials	1,329.14	1,214.13
Repairs & maintenance		
Building	221.15	144.50
Plant & equipment	830.55	808.49
Other assets	241.85	129.68
Operating lease rentals paid (Refer Note below)	23.82	29.80
Travelling	501.21	260.26
Insurance	73.44	52.58
Rates & Taxes	107.90	64.67
Auditor's Remuneration:		
Statutory audit fees	5.00	3.00
Limited review fees	1.50	1.50
Tax audit	0.50	0.50
Other services	0.08	0.10
Research and development expenditure (Refer Note 30)	165.48	84.40
Corporate Social Responsibility expenditure (Refer Note 31)	67.20	47.69
Legal & professional charges	386.89	413.34
Printing and stationery	16.19	14.85
Postage and telephone expenses	14.05	10.13
Bad debts written off	-	62.30
Other expenses	431.94	318.37
Total	5,154.93	3,969.06

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

Note - 27 c: Directors' Remuneration

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
(a) Managing Director and whole time director remuneration		
Short term benefits	159.75	151.72
Commission payable 2022 - 23	215.49	169.64
	375.24	321.36
(b) Managing Director Commission paid	169.64	87.59
Note : Managerial remuneration above does not include gratuity as the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.		
(c) Non-Executive Director's remuneration		
Directors' sitting fees	14.10	9.80
Total	14.10	9.80

NOTES FORMING PART OF FINANCIAL STATEMENTS**Note - 28: Tax Expense**

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
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	5,520.92	4,607.00
Adjustments	-	-
Profit before tax	5,520.92	4,607.00
(i) Income Tax calculated at Normal 29.12 % (2021-22:29.12%) Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	1,607.69	1,341.56
(ii) Allowances:		
(a) Effect of expenses/incomes allowed in tax computation	(314.32)	(67.53)
(b) Others	(46.42)	(94.75)
(iii) Disallowances:		
(a) Effect of expenses/incomes disallowed in tax computation	6.10	100.67
	1,253.05	1,279.94
Tax expenses comprise of:		
(i) Current tax	1,253.05	1,279.94
(ii) Adjustments in respect of current income tax of previous years	-	(20.95)
Net Current Income Tax	1,253.05	1,259.00

Note - 29: Earning per Equity Share

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Nominal value of equity share (₹)	10.00	10.00
Profit attributable to equity shareholders (A)	3,917.69	3,288.51
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) (₹)	6.66	5.59
Dilutive effect on profit (C)	-	-
Profit attributable to equity shareholders for computing diluted EPS (D)=(A+C)	3,917.69	3,288.51
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)	-	-
Diluted earning per equity share (D/F) (₹)	5,88,46,400	5,88,46,400
	6.66	5.59

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

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
i) Capital expenditure	27.37	3.97
ii) Revenue expenditure		
a) Raw material and components consumed	13.97	13.15
b) Salaries and wages	37.67	40.02
c) Consultancy charges	94.38	22.96
d) Miscellaneous expenses	19.46	8.27
	165.48	84.40
Total (i) + (ii)	192.85	88.38

Note - 31: Expenditure on Corporate Social Responsibility

(₹ in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
(a) Amount required to be spent by the company during the year	67.20	47.69
(b) Amount of expenditure incurred,		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	67.20	47.69
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	Not applicable	Not applicable
(f) Nature of CSR activities	Towards Educational scholarship support to the deserving students who are economically and socially in disadvantaged sector and supporting for educational infrastructure developments in Schools, Colleges and educational Institutions giving preference to local areas.	Towards health care, creating health infrastructure including COVID Care, establishment of medical oxygen generation & storage plants etc.
(g) Details of related party transactions Contribution to Shyam Kothari Foundation.	67.20	35.19
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation.	-	-

Note - 32: Capital Management

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

The following table summaries the capital of the Company.

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Equity	19,207.00	15,582.58
Debt	2,241.61	1,098.68
Cash and cash equivalents	(1,176.61)	(686.88)
Net Debt	1,065.00	411.79
Total capital (equity+net debt)	20,272.00	15,994.38
Net debt to capital ratio	0.05	0.03

Note - 33: Fair value of financial assets and liabilities

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

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022	Fair Value Hierarchy
Financial Assets :			
Investments in Mutual funds, Debentures & Corporate Bonds:	3,855.27	3,130.66	Level 2
Investments in Equity Shares:	268.50	204.29	Level 1
Derivative Assets	9.92	-	Level 1
Financial Liabilities:			
Derivative Liability	-	2.50	Level 1

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

There are no reclassification between different levels during the year.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Holding Entity BHK Trading LLP
Promoter Entity M/s. Kothari Sugars and Chemicals Limited

Under section 2(76) of the Companies Act, 2013, & Ind AS 24

(i) M/s. Century Foods Private Limited

(ii) M/s. Kothari Safe Deposit Limited

(iii) M/s. Parasakthi Trading Company Private Limited

Chairperson & MD are

Trustees of the foundation

(i) M/s. Shyam Kothari Foundation

(ii) M/s. Kothari Petrochemicals Limited Employees' Gratuity Scheme

Key Management Personnel (KMP)

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

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

- (i) Mrs. Nina B. Kothari - Chairperson
(ii) Mr. S. Sundarraman
(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)		Non Executive Independent Directors (KMP)	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Dividend(Interim) Sitting Fees Management Consultancy Short Term Employee Benefits Post-Employment Benefits Closing Balance	BHK Trading LLP		Mr. Arjun B. Kothari, Managing Director		(WTD / CFO / CS) - KMP		Mrs. Nina B. Kothari, Chairperson		Mr. S. Sundaraman Mr. V. V. SuryaRau Mr. Brij Mohan Bansal Mr. Gautam Roy	
	177.52	-	0.05	-	-	-	31.29	-	0.02	-
	-	-	-	-	-	-	2.20	1.10	11.90	8.70
	-	-	-	-	-	-	30.00	30.00	-	-
	-	-	274.01	233.34	127.38	116.51	-	-	-	-
	-	-	7.20	7.20	13.98	11.01	-	-	-	-
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Nature of Transactions	Century Foods Pvt Ltd.		Kothari Safe Deposits Ltd.		Kothari Sugars & Chemicals Ltd.		Parasakthi Trading Co. Pvt. Ltd.		Shyam Kothari Foundation		Kothari Petrochemicals Limited Employees' Gratuity Scheme	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Dividend(Interim)	15.60	15.60	-	-	0.01	7.20	-	32.40	-	-	-	-
Lease rental	-	-	25.41	25.41	7.20	4.94	32.40	32.40	-	-	-	-
Electricity charges	-	-	-	-	-	-	7.66	5.74	-	-	-	-
Locker Rent	-	-	0.05	0.05	-	-	-	-	-	-	-	-
Professional Services (AMC, Tech Fee)	-	-	-	-	411.52	351.38	-	-	-	-	-	-
CSR Payment	-	-	-	-	(13.56)	(1.33)	-	-	67.20	35.19	-	-
Sales	-	-	-	-	-	0.13	-	-	-	-	-	-
Lubricant Sales	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Goods	-	-	-	-	-	-	-	-	-	-	-	-
Gratuity Contribution	-	-	-	-	-	-	-	-	-	-	63.95	-
Closing Balance	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note :

- Remuneration to KMP and Managing Director remuneration above does not include gratuity as the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.
- Interim dividend of ₹ 50/- paid to Mrs. Nayantra B. Kothari, Relative of Chairperson and Managing Director.
- Interim dividend of ₹ 2,000/- paid to Mr. S. Sundarraman, Independent Director of the Company.

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

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

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

a) Foreign currency risk management

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

Foreign currency forward covers outstanding as at Balance sheet date :

(₹ in Lakhs)

	As at 31 st March 2023	As at 31 st March 2022
Forward cover (sell) :		
USD/INR (in FCY)	37.81	7.83
USD/INR (in INR)	3,113.19	593.11
EURO/ INR (in FCY)	0.67	-
EURO/ INR (in INR)	60.21	-

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

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 2023, in case of Rupee borrowings and all other variables were held constant, Impact of ₹11.21 lakhs as additional annual interest expense on floating rate borrowing would arise as on 31st March 2023. (31st March 2022 ₹5.49 lakhs).

c) Equity price risks

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

Increase or decrease in equity prices by 5% would the expose the listed equity securities at fair value of ₹268 lakhs by ₹13.41 lakhs as at 31st March 2023 (₹10.21 lakhs - as on 31st March 2022).

d) Credit risk management

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and credit worthiness of its counter parties are periodically monitored and taken up on a case to case basis. The Company evaluates the concentration of risk with respect to trade receivables as low, 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 2023. (₹ in Lakhs)

Particulars	Carrying amount	upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Interest bearing borrowings	2,241.61	693.80	1,547.81	-	2,241.61
Trade payables(Non - Interest bearing)	3,450.99	3,450.99	-	-	3,450.99
Other financial liabilities	461.94	407.50	-	54.44	461.94
Total	6,154.54	4,552.29	1,547.81	54.44	6,154.54

The table below provides details of financial assets as at 31st March 2023: (₹ in Lakhs)

Particulars	Carrying amount
Investments	3,717.04
Trade receivable	4,695.67
Cash and cash equivalents	1,176.61
Other financial assets	635.18
Total	10,224.50

f) Cyber security Risk

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

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

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

Note 36: Events after the reporting period

No adjusting or significant non-adjusting events have occurred between 31st March 2023, the reporting date and the date of approval of financial statements. The Board of Directors recommended a Final dividend of ₹ 0.75 per equity share in the meeting held on 26th May 2023.

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

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt:	-	-
(b) Guarantees excluding financial guarantees:	1,692.37	1,161.50
(c) Other money for which company is contingently liable(LC)	-	-
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	999.95	1,023.54
(b) Uncalled liability on shares and other investments partly paid; and	-	-
(c) other commitments (specify nature).	-	-

Note - 38 : Dues to Micro and Small suppliers

Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), and relied upon by the auditors, the relevant particulars as at 31st March 2023 are furnished below:

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year		
Principal	365.74	143.62
Interest	0.03	0.03
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.03	0.03
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.03	0.03

Note - 39: Segment Reporting (Ind AS 108)

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

Note - 40: Additional Regulatory Information**(i) Ratios:**

Ratio	Numerator	Denominator	2022-23	2021-22
(a) Current Ratio,(in times)	Total Current Assets	Total Current Liabilities	2.85	2.19
(b) Debt-Equity Ratio, (in times)	Total Liabilities	Total Equity	0.41	0.43

NOTES FORMING PART OF FINANCIAL STATEMENTS

Ratio	Numerator	Denominator	2022-23	2021-22
(c) Debt Service Coverage Ratio,(in times)	PAT + Depreciation +Finance cost + Loss on sale of assets	Finance cost +Principle lease payments and Loan repayments	7.99	18.44
(d) Return on Equity Ratio,(in %)	PAT	Average Total Equity	22.52	23.58
(e) Inventory turnover ratio, (in times)	Sale of products	Average Inventory	16.16	17.46
(f) Trade Receivables turnover ratio, (in times)	Net Credit Sales	Average Trade Receivables	13.40	17.41
(g) Trade payables turnover ratio, (in times)	Net Credit Purchases	Average trade payables	13.33	14.50
(h) Net capital turnover ratio, (in times)	Revenue from operations	Average Working capital	5.26	6.60
(i) Net profit ratio, (in %)	PAT	Revenue from operations	8.13	8.62
(j) Return on Capital employed,(in %)	Profit before Interest & tax	Total Equity + Non - current liabilities	26.15	26.78
(k) Return on investment (in %)	Gain(Loss) on Fairvalue of Investments+ Dividend and Interest income from investments	Average value of Investments	5.37	4.36

The details of significant changes in ratios (25% or more) as compared to 2021-22

Ratios	2022-23	2021-22	% of Variance	Reason for variance
1. Current Ratio(in times):	2.85	2.19	30%	Increase in cash & Investments due to improved profitability.
2. Debt Service Coverage Ratio,(in times):	7.99	18.44	-57%	Due to increase in borrowing - Capacity expansion project loan.

(ii) Disclosure on borrowings secured against current assets:

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

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

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

Note - 41: Exceptional items

Last year, the company scrapped old equipment which have no further use, the carrying amount in books was de-recognised and shown under exceptional loss. During the year, the company has realized proceeds from the disposals of the old equipments which was scrapped during March 2022. The resultant gain is shown under exceptional item.

Note - 42: Previous year figures

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

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

Arjun B. Kothari
Managing Director
DIN:07117816

K. Priya
Company Secretary

S. Sundarraman
Director
DIN:01032768

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

Place : Chennai
Date : May 26, 2023

KOTHARI PETROCHEMICALS LIMITED

Regd. Office. "Kothari Buildings"

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