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20th Annual Report 2008 - 09

Kothari Petrochemicals Limited



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KOTHARI PETROCHEMICALS LIMITED
Regd. Office, "Kothari Buildings", No.115, Mahatma Gandhi Salai,
Chennai - 600 034

CORPORATE INFORMATION

Board of Directors	:	B.H.Kothari - Chairman & Managing Director G.Narayanaswamy P.N.Devarajan P.K.Rudra N.Chandramouli P.S.Balasubramaniam
Company Secretary	:	R.Prakash
Statutory Auditors	:	R.Subramanian and Company Chartered Accountants, Chennai - 600 004
Internal Auditors	:	K.R.Sarangapani & Co. Chartered Accountants, Chennai - 600 083
Legal Advisors	:	S.Ramasubramaniam & Associates Advocates, Chennai - 600 004
Registered Office	:	“Kothari Buildings” No.115, Mahatma Gandhi Salai Nungambakkam Chennai - 600 034 Phone Nos.: 044 - 30281595, 30225616 Fax No. : 044 - 28334560
Registrar & Share Transfer Agent	:	M/s.Cameo Corporate Services Limited Subramanian Buildings, 5 th Floor No. 1, Club House Road Chennai - 600 002 Phone Nos. 044 - 28460390 to 28460394 Fax No.044 - 28460129 e-mail : investors@cameoindia.com
Listing	:	The National Stock Exchange of India Limited (NSE), Mumbai
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Stock Code	:	KOTHARIPET ISIN No.INE720A01015
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NOTICE TO THE MEMBERS



Notice is hereby given that the 20th Annual General Meeting of Kothari Petrochemicals Limited will be held on Friday, September 18, 2009 at 10.15 A.M. at The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited statement of Accounts for the year ended March 31, 2009 and to consider the reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. N.Chandramouli, who retires by rotation and being eligible offers himself for re-appointment.
3. Appointment of Auditors

To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution:

“Resolved that subject to the provisions of Sections 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs R. Subramanian and Company, Chartered Accountants, Chennai, the retiring Auditors be and are hereby appointed as Auditors of the Company, to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board”.

Special Business

4. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

“Resolved that Mr.P.K.Rudra, who was appointed by the Board of Directors on 05.12.06, pursuant to the provisions of Section 262 of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company, as a director to fill the casual vacancy caused by the death of Mr.T.Dulip Singh and who, in terms of section 262, was entitled to hold the office until this annual general meeting, be and is hereby appointed as Director of the Company liable to retirement by rotation”.

5. To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

“Resolved that Mr.P.N.Devarajan, who was appointed by the Board of Directors on 24.04.09, pursuant to the provisions of Section 262 of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company, as a director to fill the casual vacancy caused by the resignation of Mr.V.R.Deenadayalu and who, in terms of section 262, was entitled to hold the office until this annual general meeting, be and is hereby appointed as Director of the Company liable to retirement by rotation”.

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

Place : Chennai
Date : July 24, 2009

R.Prakash
Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. PROXIES SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT ANY TIME NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. A member or proxy should fill the enclosed attendance slip and deposit the same at the entrance of the meeting hall.
3. All correspondence concerning change of address, transfer of shares etc. may be made to the Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited.
4. Share Transfer books and Register of Members will remain closed from Thursday, 10.09.2009 to Friday, 18.09.2009 (both days inclusive)
5. Shareholders are requested to bring copies of their Annual Reports, as no additional copies will be provided.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No.4

Mr.P.K.Rudra was appointed as a Director of the Company on 05 December 2006 in the casual vacancy caused by death of Mr.T.Dulip Singh and holds office as Director upto this Annual General Meeting.

Mr.P.K.Rudra is a Post Graduate in Engineering and MBA, and has more than 40 years experience in Engineering and General Management. He was Managing Director of Bengal Chemicals, Essar Projects and Chairman and Managing Director of Lubrizol India Ltd., and Engineers India Ltd. After retiring from full time service, he was Chairman of Consultancy Development Centre, Govt. of India and Chairman of Triune Projects. He is currently the Resident Director - India of Wood Group Engineering of UK.

The Company has received Notice along with requisite deposit of Rs.500 from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr.P.K.Rudra as a Director of the Company.

The Board of Directors considers that in view of the background and experience of Mr.P.K.Rudra, it would be in the interest of the Company to appoint him as a Director of the Company, hence, the Board recommends the resolution for approval of the members.

Mr.P.K.Rudra is interested or concerned in the proposed Resolution. None of the other Directors is interested or concerned in the proposed Resolution.

Item No.5

Mr.P.N.Devarajan was appointed as a Director of the Company on 24 April 2009 in the casual vacancy caused by the resignation of Mr.V.R.Deenadayalu and holds office as Director upto this Annual General Meeting.

Mr.P.N.Devarajan has experience of more than 3 decades in Chemical Industry. He has held senior positions in many organizations such as M/s. Merck Sharp & Dhome, Chemplast, Shriram Chemicals & Fertilizers Limited, Essar Group etc. He has also served as Chairman & Managing Director of Hindustan Organic Chemicals Limited and IDPL. He held positions of Director Central Board, RBI, Member-Chemicals and Export Promotion Council, Mumbai, Member - Indo US Trade Business Council. He is presently a Professional Consultant for many leading Public Sector Organizations.

The Company has received Notice along with requisite deposit of Rs.500 from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr.P.N.Devarajan as a Director of the Company.

The Board of Directors considers that in view of the background and experience of Mr.P.N.Devarajan, it would be in the interest of the Company to appoint him as a Director of the Company, hence, the Board recommends the resolution for approval of the members.

Mr.P.N.Devarajan is interested or concerned in the proposed Resolution. None of the other Directors is interested or concerned in the proposed Resolution.

ANNEXURE TO THE NOTICE DATED 24 JULY, 2009

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING
 ANNUAL GENERAL MEETING
 (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Particulars	Item No.2	Item No.4	Item No.5
Name of the Director	Mr.N.Chandramouli	Mr.P.K.Rudra	Mr.P.N.Devarajan
Date of Birth	February 06, 1943	October 29, 1936	February 15, 1935
Date of Appointment	September 26, 2003	December 05, 2006	April 24, 2009
Qualification	B.E. (Chemical Engineering)	Post Graduate in Engineering & Master of Business Administration	B.Sc.,M. Tech. (Chemical Plant Design), IIT, Kharagpur
Experience in specific functional areas	Mr.N.Chandramouli has over 40 years of experience at various levels in both public sector under takings (NLC/IPCL/CPCL) and private sector (Parry and Kothari's) experienced in implementation of various chemical projects and senior management positions.	Mr.P.K.Rudra has more than 40 years experience in Engineering and General Management. He was Managing Director of Bengal Chemicals, Essar Projects and Chairman and Managing Director of Lubrizol India Ltd., and Engineers India Ltd. After retiring from full time service, he was Chairman of Consultancy Development Centre, Govt. of India and Chairman of Triune Projects. He is currently the Resident Director - India of Wood Group Engineering of UK.	Mr.P.N.Devarajan has held senior positions in many organizations such as M/s. Merck Sharp & Dhome, Chemplast, Shriram Chemicals & Fertilizers Limited, Essar Group etc. He has also served as Chairman & Managing Director of Hindustan Organic Chemicals Limited and IDPL. He held positions of Director Central Board, RBI, Member-Chemicals and Export Promotion Council, Mumbai, Member - Indo US Trade Business Council. He is presently a Professional Consultant for many leading Public Sector Organizations.
List of other Companies in which Directorship held	1. Kothari Sugars and Chemicals Ltd. 2. Kothari Biotech Ltd.	Wood Group Engineering India Pvt. Ltd.	1. SGT India Ltd. 2. Tropical Technologies Private Ltd.
Chairman/ Member of the Committee of the Board of Director of the Company	1. Audit Committee - Member 2. Share Transfer cum Shareholders Grievances Committee - Member	Audit Committee - Member	Audit Committee - Member
Chairman/ Member of the Committee of the other companies in which he is a Director	Kothari Sugars and Chemicals Limited - Remuneration Committee - Member	Nil	Nil

To the Members

The Directors submit the Annual Report of the Company together with the audited statement of accounts for the year ended March 31, 2009.

1. Financial Performance

(Rs. in Lakhs)

Particulars	2008-2009	2007-2008
PBIDT	409.67	907.92
Interest	11.94	--
Profit after Interest	397.73	907.92
Depreciation & Goodwill	276.60	222.93
Profit after Depreciation & Goodwill	121.13	684.99
Fringe Benefit Tax & Provision for Taxation	18.48	66.23
Profit After Tax	102.65	618.76

2. Performance for the financial year 2008-09

The Company has achieved a turnover of Rs.13,984.79 Lakhs for the year ended March 31, 2009 as against Rs.10,080.26 Lakhs for the previous year.

The plant adheres to excellent safety norms and conducts periodical safety & technical audits, training programme on chemical and safety exercises. The entire plant area is covered with green belt and additional efforts for improving the same will continue in the coming years. The plant adopts zero effluent & waste minimization concepts.

Today, our Plant has been operating with both Quality Management System (ISO 9001:2000) and Environmental Management System (ISO 14001: 2004) after a recertification audit was conducted by M/s.Det Naorske Veritas, Germany.

3. Dividend

The Directors do not recommend a dividend for this year, in view of the carried forward accumulated losses.

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

As required under the provision of sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, particulars of employees are required to be set out in the annexure to the Directors' Report. However, as per provision of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and the accounts are being sent to all the shareholders excluding the aforesaid information. Any shareholder desirous of obtaining the same may write to the Company Secretary.

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is furnished in 'Annexure I'

5. Public Deposit

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

6. Directors

Mr. N.Chandramouli retires by rotation and being eligible offers himself for re-appointment.

Mr.P.K.Rudra and Mr.P.N.Devarajan joined the Board in the Casual Vacancy caused by the death of Mr.T.Dulip Singh on December 05, 2006 and by the resignation of Mr.V.R.Deenadayalu on April 24, 2009 respectively and they will hold office till the ensuing Annual General Meeting. The Company had duly received Notices from Members proposing the appointment of Mr.P.K.Rudra and Mr.P.N.Devarajan as Directors of the Company.

7. Directors' Responsibility Statement

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv. that the directors had prepared the annual accounts on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

Kothari Petrochemicals Limited (KPL) is the largest manufacturer of premium quality speciality chemical Poly Iso Butene (PIB) in India and operates at capacity of 22,000 MT per annum. KPL enjoys a good market reputation in India and in international markets with a rapidly growing brand KVIS. KVIS grades of PIB are synonymous with high quality, dependable customer service, responsive marketing network and an unflinching commitment to the environment.

Industry Structure and Development

KPL is a part of India's petrochemical industry. KPL utilizes Liquefied Petroleum Gas (LPG) as its primary raw material, and produces PIB, which is mainly used in downstream petrochemical applications. KPL's PIB product line comprises of several molecular weight grades, each of which can be applied to a wide range of uses in chemical, rubber, plastics, paper, petroleum and lube oil industries.

Outlook

PIB is mainly consumed in lubricants and additives, which cater to the automotive industry. Due to worldwide recessionary trends since September / October 2008, automotive industry witnessed a downturn from 3rd quarter. This, to some extent affected the consumption and demand for PIB from the automobile sector during the last 2 quarters. Hence Q3 and Q4 witnessed inventory winding up by most customers, leading to significantly reduced demand and off-take. However, in most sectors, the inventory unwinding was over by March 2009.

Opportunities

While automobile and construction industries have witnessed certain amount of de-growth due to recession, PIB's applications have been spreading into several other segments, lending stability and growth for the product demand. This is particularly true for higher molecular weight grades. PIB's usage in Adhesives, Sealants, Caulks and / Glazing compounds, as Cling additives and in Paper treatments for moisture-proofing laminated and carbon papers has been strong in South / Far East Asia, Europe and the Middle East. To meet this demand KPL has continuously been on the path to improve the product quality by introducing advanced quality improvement processes.

As a customer-oriented strategy, KPL has a customer / market specific inventory approach which lends enormous supply security to its customers. Supply Security, International Quality and Impeccable Service have become the core competitive strengths of KPL.

Threats

Due to lower demand profile in developed markets such as USA, PIB manufacturers like INFINEUM who captively use their entire production, are now placing part of their PIB volumes in the merchant market. This has a domino effect on the market size available for other merchant producers of PIB.

Further global majors like Texas Petro Chem USA, Daelim, Korea and Poly Butanos, Brazil are on the verge of completing their capacity expansions. These expanded capacities are expected to hit the market over the next 3 - 6 months, exerting greater pressure on other players by exacerbating the excess supply situation.

Risks and Concerns

As KPL increases its exports, the company will become more exposed to potential volatility in foreign exchange. To mitigate this risk, KPL has established a Treasury function to actively manage potential transaction cost risks arising from foreign exchange.

To mitigate the financial risks in global business, KPL as a strategy has covered its exports under a comprehensive ECGC policy. In addition, stringent credit terms are adopted wherever feasible to minimise the credit risks. Considerable amount of due diligence is carried out before accepting customers on open credit terms.

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

KPL procures raw materials from multiple sources to ensure adequate supplies for sustaining production and to mitigate purchase concentration risk. To lower the risk of potential price increases, KPL seeks to establish long-term contracts with these suppliers. KPL also continues to look for additional sources of materials.

8. Internal Control Systems and their adequacy

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

Internal Audit and Inspection: The Company has a comprehensive system of internal inspection and audit to serve as a check on internal control management systems. The Scope and coverage of the audit is reviewed from time to time to make it more focused and effective by using the tools such as Cost of Production (COP) sheet, Activity Based Costing (ABC) analysis on monthly basis and we are on the way in implementing the ERP system.

Compliance: The Company has commitment of compliance with the internal audit towards the submissions of various returns and data information as required by the statutory authorities. The Company has an internal audit department, which verifies and administers suitable internal control system.

Vigilance: The Audit Committee reviews the report of Internal Audit and expresses the ways and means to overcome the lapses pointed out in the report.

Corporate Governance: The Statutory Auditor of the Company have given a certificate to the Board as contemplated under Clause 49 of the Listing Agreement.

9. Human Resources / Industrial Relations

Human resources is the most significant part of an organisation. As a continuous process, we have been initiating a lot of organisational developmental measures, reaching employees at all levels. The organisational development measures include implementation of 5 S, kaizen, and also bringing the entire business process under ISO standards and a few processes at six sigma standards. Besides building effective teams through

OD measures, the individual employees are being trained for higher effectiveness in the current assignment to ensure career growth. The internal talents are given due importance for taking up higher assignments in the organisation, and infusion of fresh talents is carried out at all levels. During the financial year, 1 out of the 2 senior management positions and 7 out of 15 middle level positions were filled-up through internal promotions.

The company facilitates practical trainings in inter personal skills, team work, personal & professional growth skills by engaging external agencies, periodically.

The wage settlement in respect of KPL factory was concluded during the year for a period of 4 years from Jan 2008 to Jan 2012. Total number of employees as on 31st of March 2009 is at 92 in respect of chemical operations. Industrial relations aspects are very cordial, conducive and mutually productive.

10. Corporate Governance

We believe that Corporate Governance is the crux of Shareholder value creation. Our governance practices along with the Auditor's Certificate on its compliance are attached hereto as an Annexure to this report.

11. Re-appointment of Auditors

The Auditors, M/s.R.Subramanian and Company, Chartered Accountants, Chennai, retire at the Annual General Meeting and have confirmed their eligibility to accept Office, if re-appointed.

12. Acknowledgement

The Board acknowledges the co-operation and support extended by the Employees, consultants, suppliers, customers and all its business associates.

The Directors place on record their appreciation for the continued support and co-operation they have received from Financial Institutions, Banks, Central and State Governments.

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

Place : Chennai
Date : July 24, 2009

B.H. Kothari
Chairman and Managing Director

FORM A

Form for disclosure of particulars with respect to conservation of energy

MANALI PLANT

A. Power and fuel consumption

1. Electricity	Current year	Previous year
(a) Purchased		
Unit (Kwh)	51,02,960	51,99,860
Total Amount (Rs.)	2,26,19,873	2,32,07,657
Rate/unit (Rs.)	4.43	4.46
(b) Own generation		
(i) Though diesel generator		
Units	22,24,506	5,84,252
Unit per-litre of diesel oil	3.24	3.15
Cost/Units	11.12	10.50
(ii) Through steam turbine/generator		
Units	--	--
Units per-litre of fuel oil/gas	--	--
Cost/units	--	--
2. Coal (specify quality and where used)		
Quantity (kilo litres)	--	--
Total cost	--	--
Average rate	--	--
3. Furnace oil		
Quantity (kilo litres)	--	--
Total amount	--	--
Average rate	--	--
4. Others/internal generation (please give details)		
Quantity	--	--
Total cost	--	--
Rate/unit	--	--

B. Consumption per unit of production

	Standard (if any)	Current year	Previous year
Products (with details) in MT	--	13,272.50	11,981.50
Electricity (Unit per MT)	--	552.08	482.75
Furnace oil	--	--	--
Coal (specify quality)	--	--	--
Others (specify)	--	--	--

B. TECHNOLOGY ABSORPTION**FORM B**

(Form for disclosure of Particulars with respect to Technology Absorption)

Research and Development (R & D)	:	Nil
Expenditure on R & D	:	Nil
Technology absorption, adoption and innovation	:	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange used and earned (Rs. in lakhs)

a.	Total Foreign Exchange earned	3,274.11
b.	Total Foreign Exchange outflow	31.16

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2008-09

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

1. Company's Philosophy on Corporate Governance

The Company adheres to good corporate practices, and is constantly striving to better them keeping in mind the best practices. In our commitment to practice good Corporate Governance, we are guided by core principles i.e. accountability, compliances, disclosures, ethical conduct, transparency and promote the interests of stakeholders including customers, employees, lenders, vendors, governments, Institutions and the Society. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a truly global petrochemicals company.

2. Board of Directors

The present strength of the Board is six, comprising of three independent directors and it meets the requirements of Clause 49 of Listing Agreement.

The Board of Directors details are tabulated hereunder:

Name of the Director	Category	No. of Board Meetings Attended	Attendance at previous AGM held on Sep 18, 2008	No. of Directorship in other public companies	No. of Committee positions (as Member/Chairman) held in other public Companies	
					Member	Chairman
Mr.B.H.Kothari	Chairman & Managing Director	5	Present	03	02	Nil
Mr.G.Narayanaswamy	Independent	5	Present	01	Nil	Nil
Mr.V.R.Deenadayalu *	Independent	5	Present	02	Nil	Nil
Mr.P.K.Rudra	Independent	5	Present	Nil	Nil	Nil
Mr.N.Chandramouli	Non-Independent	3	LOA	02	Nil	Nil
Mr.P.S.Balasubramaniam	Non-Independent	5	Present	05	02	01
Mr.P.N.Devarajan**	Independent	-	-	-	-	-

Note: * Mr.V.R.Deenadayalu, Director resigned on 24 Apr 2009.

** Mr.P.N.Devarajan was appointed to fill the above casual vacancy on 24 Apr 2009.

Board Meetings held during the financial year 2008-2009

April 23, 2008	July 28, 2008	September 18, 2008	October 20, 2008	January 23, 2009
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3. Committees of the Board

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

a. Audit Committee

Sl.No.	Name of the Member	Category	Meetings Held	Meetings participated
1.	Mr. G. Narayanaswamy	Chairman	4	4
2.	Mr.N.Chandramouli	Member	4	3
3.	Mr.V.R.Deenadayalu*	Member	4	4
4.	Mr.P.K.Rudra **	Member	NA	NA
5.	Mr.P.N.Devarajan ***	Member	NA	NA

* Mr.V.R.Deenadayalu, Director resigned on 24 Apr 2009.

** Mr.P.K.Rudra, Director inducted in the Audit Committee on 23 Jan 2009.

*** Mr.P.N.Devarajan was inducted in the Audit Committee on 24 Apr 2009.

b. Audit Committee Meetings held during the financial year 2008-2009

April 23, 2008	July 28, 2008	October 20, 2008	January 23, 2009
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c. Board reference to the Audit Committee

The Auditors of the Company (both Statutory and Internal Auditors) participate in the Audit Committee meetings as also the Vice President - Finance and other operational heads, of the Company. The Company Secretary acts as the Secretary of the Audit committee. The powers and role of the Audit Committee are as specified in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Board's terms of reference of the committee includes the following:

- i. To review the internal controls, with the Management and the Auditors and report to the Board together with recommendations thereon.
- ii. To select and establish accounting policies.
- iii. To review the adequacy of internal audit function, staffing, reporting structure and frequency of internal audits.
- iv. To review the Company's financial and risk management policies.
- v. To approve the Quarterly Unaudited Financial Results for publication.
- vi. To review the Management Discussion and Analysis Report.
- vii. To review the related party transactions submitted by the management.

d. Share Transfer cum Investors' Grievances Committee

The Share Transfer cum Shareholders' / Investors' Grievances Committee comprises of Messrs B.H.Kothari, N.Chandramouli and P.S.Balasubramaniam.

During the year under review, the Committee met 15 times and the attendance details of Committee Members is as follows:

Sl.No.	Name of the Member	Category	Meetings Held	Meetings participated
1	Mr. B.H. Kothari	Chairman	15	14
2	Mr. N. Chandramouli	Member	15	13
3	Mr. P. S. Balasubramaniam	Member	15	11

e. Details of the Complaints received from the Shareholder(s) / Department(s) during the Financial Year 2008 - 2009

Sl. No.	Subject of Complaints	Total Complaints received	Complaints redressed	Redress under process at the year end
1.	Non receipt of Dividend	05	05	Nil
2.	Transfer of Shares	Nil	Nil	Nil
3.	Dematerialisation matters	Nil	Nil	Nil
4.	Non receipt of Annual Reports	06	06	Nil
5.	Others	Nil	Nil	Nil
	Total	11	11	Nil
1.	SEBI	Nil	Nil	Nil
2.	Ministry of Corporate Affairs	Nil	Nil	Nil
3.	National Stock Exchange	Nil	Nil	Nil
4.	Registrar of Companies	01	01	Nil
5.	Consumer forum	Nil	Nil	Nil

f. Remuneration Committee

No Remuneration Committee was constituted by the Company during the financial year 2008-09, since no director was in receipt of any remuneration other than sitting fees.

4. Directors' Sitting Fees

Sitting fees for the Board/Committee meetings for the year 2008-09 and the details are furnished hereunder:

(Amount in Rs.)

Sl.No.	Name of the Directors	Sitting fees paid		
		Board Meeting	Audit Committee	Total
1.	Mr.B.H.Kothari	25,000	NA	25,000
2.	Mr.G.Narayanaswamy	25,000	16,000	41,000
3.	Mr.V.R.Deenadayalu	25,000	16,000	41,000
4.	Mr.P.K.Rudra	25,000	NA	25,000
5.	Mr.N.Chandramouli	15,000	12,000	27,000
6.	Mr.P.S.Balasubramaniam	25,000	NA	25,000

5. Annual General Meeting

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

Year	Venue	Date	Day	Time
2007-2008	The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai-14	September 18, 2008	Thursday	11.00 A.M.
2006-2007		September 20, 2007	Thursday	11.30 A.M.
2005-2006		August 28, 2006	Monday	11.00 A.M.

6. Details of Special Resolutions passed during the last three Annual General Meetings

Date of AGM	Whether any Special Resolution was passed	Particulars
September 18, 2008	Nil	-
September 20, 2007	01	Appointment of Mr.B.H.Kothari, as Managing Director for a period of 5 years w.e.f. 01.12.2006 to 30.11.2011 without remuneration.
August 28, 2006	02	Amendment of Memorandum of Association and Article of Association with respect to increase of authorised share capital. To approve the Scheme of amalgamation under Section 391 - 394 of the Companies Act, 1956.

7. Postal Ballot

During the financial year 2008-2009 no Special Resolution was passed through Postal Ballot.

8. Disclosures

During the financial year 2008-2009, the Company had no materially significant related party transactions, which is considered to have potential conflict with the interests of the Company at large.

There has not been any instance of non-compliance, penalties or strictures imposed by the Stock Exchanges, and / or SEBI on any matter relating to capital markets, in the preceding three years.

The Company has adopted a Code of Conduct for its Directors and Senior Management, which has been posted on the Company's website. The Chairman has given a declaration that the Directors and Senior Management of the Company have affirmed the compliance with the Code of Conduct.

As required under Clause 49 of the Listing Agreement a Certificate signed by the Chairman & Managing Director and Vice President - Finance is annexed.

9. Management Discussion and Analysis Report

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

10. Communication

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

As per clause 51 of the Listing Agreement financial results and quarterly compliance reports on Corporate Governance are being filed on Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatics Centre (NIC).

11. Shareholder Information

Annual General Meeting

Day, Date and Time	Friday, September 18, 2009 at 10.15 A.M.
Venue	The Music Academy, Mini Hall, Old No.306, New No.168 T.T.K.Road, Chennai - 600 014

12. Financial Year of the Company

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

Financial Reporting for year 2009-2010 (Tentative)

Results for Quarter ending 30th June, 2009	End July, 2009
Results for Quarter ending 30th September, 2009	End October, 2009
Results for Quarter ending 31st December, 2009	End January, 2010
Results for Quarter ending 31st March, 2010	End April, 2010

13. Date of Book Closure

The period of book closure is fixed from Thursday, 10.09.2009 to Friday, 18.09.2009 (both days inclusive)

14. Details of the outstanding ADRS/GDRS/WARRANTS OR CONVERTIBLE INSTRUMENTS

Not applicable.

15. Listing Particulars

The shares of the Company are listed in The National Stock Exchange of India Limited, Mumbai and the listing fees for the financial year 2009 - 10 has been paid.

Stock Code - KOTHARIPET.

16. Market Price Data: High, Low in each month of the Financial Year 2008-2009 on The National Stock Exchange of India Limited. (Amount in Rs.)

Month	High	Low	Month	High	Low
April 2008	36.60	18.20	October 2008	14.45	7.25
May 2008	33.00	22.25	November 2008	8.30	5.20
June 2008	25.20	16.25	December 2008	10.30	5.55
July 2008	20.90	15.10	January 2009	10.20	6.75
August 2008	19.90	17.10	February 2009	7.55	5.50
September 2008	18.40	12.20	March 2009	6.35	5.10

17. Registrar and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company is M/s. Cameo Corporate Services Ltd, Chennai.

18. Distribution of Shareholdings

No. of Equity shares held	No. of Shareholders	No. of Shares
Upto 5000	7,844	24,49,613
5001-10000	1,805	16,30,987
10001-20000	560	9,26,969
20001-30000	199	5,19,969
30001-40000	78	2,94,691
40001-50000	117	5,63,875
50001-100000	113	8,43,374
100001 and above	104	5,16,16,922
Total	10,820	5,88,46,400

19. Shareholding Pattern

Sl. No.	Category	No. of Holders	No. of shares	% of Shares
1.	Resident Indians	10,496	79,19,468	13.46
2.	Domestic Companies	268	68,51,025	11.64
3.	NRIs	33	42,560	0.07
4.	Promoters	12	3,87,16,600	65.79
5.	Directors & Relatives	3	500	0.00
6.	FIs	1	40,500	0.07
7.	Mutual Funds	3	54,800	0.09
8.	Financial Institutions	4	52,20,947	8.88
	Total	10,820	5,88,46,400	100.00

20. Dematerialisation of Shares

As on March 31, 2009, 5,60,80,540 shares representing 95.30% Company's total shares were held in dematerialised form and the balance shares were held in physical form.

ISIN No.INE720A01015

21. Plant Location

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

22. Contacts

Company's Registered Office	Company Share Transfer Agent
The Company Secretary Kothari Petrochemicals Limited, Kothari Buildings, No.115, Mahatma Gandhi Salai Nungambakkam, Chennai - 600 034. Telephone Nos. 044 - 30281595, 30225616 Fax No. 044 - 28334560 e-mail : investorskpl@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 Telephone No. 044 - 28460390 (5 Lines) Fax No. 044 - 28460129 e-mail : investors@cameoindia.com

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

Place : Chennai

Date : July 24, 2009

B.H. Kothari
Chairman and Managing Director

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2009.

for **Kothari Petrochemicals Limited**

Place : Chennai

Date : July 24, 2009

B.H. Kothari
Chairman and Managing Director

CERTIFICATE UNDER SUB CLAUSE V OF CLAUSE 49 OF LISTING AGREEMENT

We, B.H.Kothari, Chairman & Managing Director and N.S.Rangachari, Vice President - Finance 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, 2009 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee
 - i. significant changes in internal control over financial reporting during the year
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Chennai
Date : July 24, 2009

B.H.Kothari
Chairman and Managing Director

N.S.Rangachari
Vice President - Finance

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Kothari Petrochemicals Limited

We have examined the compliance of conditions of Corporate Governance of M/s. Kothari Petrochemicals Limited, for the year ended March 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained and certified by the Registrars and Share Transfer Agents of the company, there were no investors' grievances remaining unattended / pending for more than 30 days as at March 31, 2009.

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

for **R. Subramanian and Company**
Chartered Accountants

Place : Chennai
Date : July 24, 2009

N.R.Kuppuswamy
Partner
M.No.:203307

REPORT OF THE AUDITORS TO THE MEMBERS OF KOTHARI PETROCHEMICALS LIMITED

1. We have audited the attached Balance Sheet of Kothari Petrochemicals Limited as at 31st March 2009 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent they are applicable to the company.
4. Further to our comments in the annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company, so far as it appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from Directors and taken on record by the Board of Directors, we report that none of the Director is disqualified as on March 31, 2009 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon and schedules attached thereto, give the information required by the Companies Act 1956, in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - i) in so far as it relates to the Balance Sheet, the state of affairs of the company as at March 31, 2009.
 - ii) in so far as it relates to the Profit and Loss account, of the profit for the year ended on that date, and
 - iii) in so far as it relates to the Cash Flow Statement, of the Cash Flow for the year ended on that date.

for R. Subramanian and Company
Chartered Accountants

Place : Chennai
Date : July 24, 2009

N.R.Kuppuswamy
Partner
M.No.:203307

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
3. No major asset has been disposed off during the year and hence the concept of going concern is not affected.
4. Inventories were physically verified during the year by the management at reasonable intervals.
5. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management was reasonable and adequate in relation to the size of the Company and the nature of its business.
6. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
7. The company has granted an unsecured advance to a Company covered in the register maintained under Section 301 of the Companies Act, 1956. The amount involved was Rs.70 Lakhs and year end balance was nil.
According to the information and explanations given to us the interest and terms and condition of the loan availed or not prima-facie prejudicial to the interest of the company.
The advances have been repaid during the year.
8. The company has taken an advance from Company covered in the register maintained under Section 301 of the Companies Act 1956. The amount is Rs.146.59 Lakhs and year end balance was Rs.9.96 lakhs.
According to the information and explanations given to us the interest and terms and condition of the loan availed or not prima-facie prejudicial to the interest of the company.
The advances are not over due.
9. According to the information and explanations given to us the advances carry no interest terms and condition of the advances availed during earlier years are not prima-facie prejudicial to the interest of the Company. These advances have no period specified for repayment.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and there was no continuing failure to correct any major weakness.
11. In our opinion and according to the explanations given to us, transactions made in pursuance of contracts or arrangements requiring entry in the registers maintained under Section 301 of the Companies Act, 1956, have been entered.
Transaction exceeding Rs.5 lakhs made in pursuance of such contracts or arrangements have been made at prices which or reasonable having regard to be prevailing market price at the relevant time.
12. The company has no fixed deposits requiring compliance of provisions of Section 58 and 58 AA or any other relevant provisions of the act.
13. The Internal Audit function has been carried out by a firm of Chartered Accountants and is commensurate with the size of the company and the nature of its business.

14. To the best of our knowledge and according to the information and explanations given to us the company's present business does not require the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
15. According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Income Tax, Sales Tax and any other statutory dues with the appropriate authorities during the year. The company has no dues towards Provident Fund, Investor Education and Protection Fund, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess.
16. According to the information and explanations given to us, there is no undisputed amount payable towards Sales Tax or Income Tax.
17. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Custom Duty, and Excise Duty, which have not been deposited on account of any dispute.
18. The accumulated losses of the Company have not exceeded fifty per cent of net worth at the end of the year. The Company has not incurred any cash loss during the financial year and the immediately preceding financial year.
19. The Company has no dues to financial institutions, banks and debenture holders during the year.
20. The Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
21. In our opinion and according to the information and explanations given to us the Company is dealing in, trading in shares, debentures and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made there in. These shares, debentures and other securities have been held by the company.
22. In our opinion and according to the information and explanations given to us the Company has not given any guarantee for any loans taken by others from banks and financial institutions during the financial year.
23. To the best of our knowledge and belief and according to the information and explanations given to us, no term loan was availed by the Company during the year.
24. In our opinion and according to the information and explanations given to us the Company has not made preferential allotment of shares during the year to companies covered in the register maintained under Section 301 of the Companies Act, 1956.
25. The Company has not made any public issue of shares during the year and hence the question of verifying the end use of the funds does not arise.
26. According to the information and explanations given to us and the records examined by us, no debentures have been issued during the year.
27. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the financial year.

For R. Subramanian and Company
Chartered Accountants

Place : Chennai
Date : July 24, 2009

N.R.Kuppuswamy
Partner
M.No.:203307

BALANCE SHEET AS AT MARCH 31, 2009

KOTHARI PETROCHEMICALS LIMITED

Balance Sheet as at March 31, 2009

(Amount in Rs.)

	Particulars	Schedule	As on 31.03.2009	As on 31.03.2008
I	SOURCES OF FUNDS			
	1. Shareholders Funds			
	a) Capital	A	591,867,500	591,867,500
	b) Reserves and Surplus	B	40,000	40,000
	Total		591,907,500	591,907,500
II	APPLICATION OF FUNDS			
	1. Fixed Assets			
	a) Gross Block	C	368,457,260	363,478,680
	b) Less : Accumulated Depreciation		69,213,824	41,553,554
	c) Net Block		299,243,436	321,925,126
	2. Investments	D	19,341,089	25,851,933
	3. Current Assets, Loans and Advances			
	Current Assets :	E		
	a) Inventories		47,492,652	42,477,201
	b) Sundry Debtors		77,599,459	55,028,892
	c) Cash and Bank Balances		21,447,060	8,876,010
	d) Other Current Assets		16,060,137	889,231
	e) Loans and Advances		139,712,357	137,063,609
			302,311,665	244,334,943
	Less:Current Liabilities and Provisions	F		
	a) Liabilities		95,819,957	76,583,945
	b) Provisions		1,911,255	2,627,646
			97,731,212	79,211,591
	Net Current Assets		204,580,453	165,123,352
	Profit and Loss Account		68,742,522	79,007,089
	Total		591,907,500	591,907,500

Schedules A to F and Notes in Schedule L form an integral part of this Balance Sheet and should be read in conjunction therewith

This Balance Sheet referred to in our report of even date

For and on behalf of the Board

for **R.Subramanian and Company**
Chartered Accountants**B.H. Kothari**
Chairman & Managing Director**P.S.Balasubramaniam**
Director**N.R. Kuppuswamy**
Partner
M.No.:203307Place : Chennai
Date : July 24, 2009**R.Prakash**
Company Secretary

(Amount in Rs.)

Particulars	Schedule	For the Year Ended	
		31.03.2009	31.03.2008
INCOME			
Sales (Gross)	G	1,398,478,703	1,008,025,849
Less : Excise Duty		133,079,906	111,593,676
Sales (Net)		1,265,398,797	896,432,173
Other Income	H	24,739,595	10,173,585
Less : Excise Duty on Scrap & Spent CSL		423,447	249,855
		24,316,148	9,923,730
		1,289,714,945	906,355,903
Increase / (Decrease) in stock of Work in Process and Finished Goods	I	12,070,530	174,822
Total		1,301,785,475	906,530,725
EXPENSES			
Material cost	J	1,063,883,760	673,909,968
Manufacturing & Other Expenses	K	196,934,252	141,828,069
Profit Before Interest & Depreciation		40,967,463	90,792,688
Less : Interest		1,194,364	-
Less : Depreciation		12,500,269	7,233,551
Less : Amortisation of Intangible Assets		15,160,000	15,060,000
Profit / (Loss) before Tax		12,112,830	68,499,137
Less : Provision for Taxation		1,700,000	5,953,000
Less : Wealth Tax Paid for Earlier Years		7,493	-
Fringe benefit tax			
For the year 2008-09	385,155		
For the year 2007-08 (Reversal of Excess Provision)	244,385		
		140,770	670,501
Profit / (Loss) for the Year after Tax		10,264,567	61,875,636
Profit / (Loss) brought forward from previous year		(79,007,089)	(140,882,725)
Balance carried to Balance Sheet		(68,742,522)	(79,007,089)
Number of Equity Shares		58,846,400	58,846,400
Basic and Diluted Earnings Per Share - Face Value Rs.10		0.17	1.05

Schedules G to K and Notes in Schedule L form an integral part of this Profit & Loss Account and should be read in conjunction therewith

This Profit & Loss Account referred to in our report of even date

For and on behalf of the Board

for **R.Subramanian and Company**
Chartered Accountants

B.H. Kothari
Chairman & Managing Director

P.S.Balasubramaniam
Director

N.R.Kuppuswamy
Partner
M.No.:203307

Place : Chennai
Date : July 24, 2009

R.Prakash
Company Secretary

CASH FLOW STATEMENT ANNEXED TO FINANCIAL STATEMENTS

Kothari
PETROCHEMICALS
(Rs. in Lakhs)

Particulars	2008 - 2009		2007-2008	
A. Cash Flow from Operating Activities :				
Net Profit / (Loss) after extraordinary items		121.13		684.99
Adjustments for :				
Depreciation	125.00		72.34	
Provision for diminution in value of short term investments	3.72		-	
Interest received	(4.54)		(0.61)	
Amortisation of Intangible Asset	151.60		150.60	
Profit on Sale of MF Units / Dividend	(26.55)		(76.13)	
(Profit) / Loss on Sale of Shares	0.07		-	
		249.30		146.19
Operating Profit before Working Capital Changes		370.43		831.19
Trade Debtors and Other Receivables	(225.71)		(316.90)	
Loans and Advances & Other Current Assets	(159.55)		(306.51)	
Inventories	(50.15)		(109.09)	
Trade payables	166.71		357.90	
		(268.70)		(374.60)
Cash Generation from Operations		101.73		456.59
Less : Direct Taxes Paid		18.65		2.71
Net Cash Generation from Operating Activities - A		83.08		453.88
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets		(49.79)		(1,942.63)
Capital Work in Progress		-		288.73
Provision for diminution in value of short term investments		(3.72)		-
Redemption of Investment		65.11		-
Interest Received		4.54		0.61
Profit on Sale of MF Units / Dividend		26.55		76.13
Purchase / Sale of Investments (Net)		(0.07)		955.59
		42.63		(621.57)
Net Cash used in Investing Activities - B				
C. Cash Flow from Financing Activities :				
Net Cash used in Financing activities - C		-		-
Net Increase / (Decrease) in Cash and Cash equivalents-A+B+C		125.71		(167.69)
Cash and Cash equivalents at the beginning of the year		88.76		256.45
Cash and Cash equivalents at the close of the year		214.47		88.76

This Cash Flow Statement referred to in our report of even date

For and on behalf of the Board

for **R.Subramanian and Company**
Chartered Accountants

B.H. Kothari
Chairman & Managing Director

P.S.Balasubramaniam
Director

N.R. Kuppaswamy
Partner
M.No.:203307

Place : Chennai
Date : July 24, 2009

R.Prakash
Company Secretary

Schedule - A	(Amount in Rs.)	
	As at 31.03.2009	As at 31.03.2008
Share Capital		
Authorised Capital		
Equity Share Capital		
60,000,000 Equity Shares of Rs.10/-each	600,000,000	600,000,000
Preference Share Capital		
600,000 Redeemable Preference Shares of Rs.100/- each	60,000,000	60,000,000
Total	<u>660,000,000</u>	<u>660,000,000</u>
Issued Capital		
59,640,700 Equity Shares of Rs.10/- each	596,407,000	596,407,000
Subscribed / Paid up Capital		
58,846,400 Equity Shares of Rs.10/- each	588,464,000	588,464,000
Add: Forfeited Shares	3,403,500	3,403,500
Total	<u>591,867,500</u>	<u>591,867,500</u>
Schedule - B		
Reserves & Surplus		
Capital Reserve	-	-
Amount received on re-issue of forfeited Shares	40,000	40,000
Total	<u>40,000</u>	<u>40,000</u>

Schedule - C

Fixed Assets

(Amount in Rs.)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions	Deletions / Adjustment	As at 31.03.2009	Upto 31.03.2008	For the year	Deductions	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
Land	27,847,000	-	-	27,847,000	-	-	-	-	27,847,000	27,847,000
Buildings	63,584,723	-	-	63,584,723	1,361,779	1,856,712	-	3,218,491	60,366,232	62,222,944
Computers	929,925	332,920	-	1,262,845	724,361	72,909	-	797,270	465,575	205,564
Office Equipment	1,619,984	251,390	-	1,871,374	203,114	91,330	-	294,444	1,576,930	1,416,870
Plant & Machinery	190,834,478	3,248,966	-	194,083,444	8,283,610	10,078,410	-	18,362,020	175,721,424	182,550,868
Vehicles	3,229,776	392,254	-	3,622,030	828,112	340,213	-	1,168,325	2,453,705	2,401,664
Furniture & Fittings	132,794	253,050	-	385,844	32,579	60,695	-	93,274	292,570	100,215
Intangible Assets	75,300,000	500,000	-	75,800,000	30,120,000	15,160,000	-	45,280,000	30,520,000	45,180,000
Total	363,478,680	4,978,580	-	368,457,260	41,553,555	27,660,269	-	69,213,824	299,243,436	321,925,126
Previous year	169,215,852	194,262,828	-	363,478,680	19,260,003	22,293,551	-	41,553,554	321,925,126	149,955,849

Schedule - D

(Amount in Rs.)

Investments

	As at	As at
	31.03.2009	31.03.2008
A. Investments in Mutual Funds (at cost)-(Short term)	19,341,089	25,839,849
Market Value Rs.19,397,441 As on 31-03-2009		
Market Value Rs.25,925,559 As on 31-03-2008		
B. Investment in Shares (at cost) - (quoted)	-	12,084
Market Value Rs.12,084.00 As on 31-03-2008		
Total	19,341,089	25,851,933

A. Investments in Mutual Funds

(Amount in Rs.)

As at		Name of the Scheme	As at	
31.03.2009	31.03.2008		31.03.2009	31.03.2008
No. of Units			Cost	
97,799.511	97,799.511	AIG India Equity Fund Regular-Growth	1,000,000	1,000,000
-	716,189.214	Birla Sunlife Monthly Interval Fund - Series-I - Dividend	-	7,161,892
305,739.20	-	Birla Sunlife Savings Fund - Growth	5,001,801	-
100,000.00	-	Edelwiss Liquid Plus Fund	1,000,000	-
109,538.96	-	HDFC Cash Management Fund-Savings Plan - Growth	2,013,370	-
-	106,368.186	HDFC Floating Rate Income Fund - Long Term Plan-Growth	-	1,406,336
-	462,597.974	HDFC Floating Rate Income Fund - Short Term Plan-Growth	-	6,307,708
9,125.77	-	UTI Treasury Advantage Fund - Instl. - Growth	10,739,414	-
-	1,000,000.000	UTI-FMP-HFMP-03/08-INSTL-Dividend	-	10,000,000
			19,754,585	25,875,937
		Less : Diminution in value of Investments	413,496	36,088
			19,341,089	25,839,849

B. Investments in Shares - quoted

As at		Particulars	As at	
31.03.2009	31.03.2008		31.03.2009	31.03.2008
No. of Shares			Cost	
-	38	Reliance Power	-	17,100
			-	17,100
		Less : Diminution in value of investments	-	5,016
			-	12,084

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

The following units of Mutual Fund were purchased and redeemed during the Financial Year

As at		Particulars	As at	
31.03.2009	31.03.2008		31.03.2009	31.03.2008
No. of Units			Cost (Amount in Rs.)	
873,737.17	-	Birla Sunlife Floating Rate Fund - LT-Growth	12,065,392	-
-	42,069.84	Birla Sunlife Frontline Equity Fund - Dividend	-	1,000,000
415,012.76	-	Birla Sunlife Income Plus Fund-Dividend	4,591,286	-
-	700,000.00	Birla Sunlife Quaterly Interval Fund - Series-III	-	7,000,000
295,138.09	-	Birla Sunlife Short Term Fund-Growth	4,500,000	-
-	715,843.25	BSL Cash Manager IP Daily Div Reinv	-	7,160,580
-	317,997.90	DBS - Chola FMP - Series - 7 Qtly-Plan-I-Growth	-	3,179,979
-	265,719.61	DBS Chola Freedom Income STP-Inst.-Cum-Org	-	3,256,394
-	44,810.94	DSP Merrill Lynch Liquid Plus Fund-Institutional Plan-GW	-	47,278,026
-	47,268.57	DSP MI Liquid Plus Inst. Daily Dividend	-	47,276,031
594,126.37	-	HDFC Cash Mgmt - Savings Plus Plan-Growth	10,587,604	-
-	196,171.64	HDFC Floating Rate Income Fund-Long Term Plan-Growth	-	2,593,664
-	3,188,245.20	HDFC Floating Rate Income Fund-Short Term Plan-Growth	-	42,192,292
-	2,000,000.00	HDFC FMP 90D December 2007(VI)-Wholesale Plan-Growth	-	20,000,000
55,616.62	-	HDFC High Interest Fund-Growth	1,521,076	-
8,521.11	-	Mirae Asset Liquid Plus Fund - R - Growth	8,700,000	-
-	48,899.76	Reliance Equity Advantage Fund-Dividend	-	500,000
-	1,880,719.60	Reliance Floating Rate Fund - Growth	-	22,395,233
-	563,805.64	Reliance Interval Fund-QP-Series-I-Retail-Growth	-	5,638,056
-	2,182,813.78	Reliance Monthly Interval-Series-I-Retail-Growth	-	22,205,110
-	6,478.01	Standard Chartered Liquidity Manager Plus-Growth	-	7,100,000
-	20,600.80	Temp.India Short-Term Income Plan-Growth	-	28,290,394
337,974.85	-	UTI Bond Fund-Dividend-Reinvestment	4,000,000	-
22,127.45	-	UTI Floating Rate Fund-Stp -Growth	30,827,352	-
20,980.30	-	UTI Liquid Plus Fund Instl-Growth	23,946,011	-
250,000.00	-	UTI-FIF-MIP-Series-I-Div Reinv.	2,500,000	-
1,193,206.69	-	UTI-FIF-MIP-Series-I-Growth	13,004,117	-
1,022,935.46	-	UTI-FMP-QFMP-06/08-Instl-Growth	10,229,355	-
-	44,622.94	UTI-Infrastructure Fund-Dividend	-	1,000,000
			126,472,193	268,065,758

The following shares were purchased and sold during the Financial year

As at		Particulars	As at	
31.03.2009	31.03.2008		31.03.2009	31.03.2008
No. of Shares			Cost (Amount in Rs.)	
-	146,000	ICICI Bank	-	137,240
			-	137,240

Schedule - E

(Amount in Rs.)

	As at 31.03.2009	As at 31.03.2008
Current Assets		
a) Inventories		
Stocks - Stores	6,240,471	4,367,785
- Finished Goods	24,908,740	12,838,210
- Fuel	2,270,259	2,020,697
- Raw Materials Indigenous	14,073,182	23,250,509
Total	47,492,652	42,477,201
b) Sundry Debtors		
Unsecured		
More than six months		
- considered good	2,658,362	1,637,531
Less than six months (Considered Good)	74,941,097	53,391,361
Total	77,599,459	55,028,892
c) Cash & Bank Balance		
Cash on hand	23,240	23,183
Balance with Banks		
On Current Account	17,753,257	7,999,828
On Deposit Account	3,670,562	853,000
{Of the above Rs.36.70 Lakhs (Previous Year Rs.5 Lakhs) is under lien for Bank Gaurantee}		
Total	21,447,060	8,876,010
d) Other Current Assets	16,060,137	889,231
e) Loans & Advances (Unsecured and considered good)		
a. Advances recoverable (in cash/kind/for value to be received)	123,483,379	121,084,725
b. Advance Income Tax & Tax Deducted at Source	2,558,778	2,558,779
c. Current Taxation (Payment in excess of Provision)	134,331	-
d. Deposits (Includes National Savings Certificates Rs.5000/- Previous Year Rs.5000/- deposited with Government Authorities)	12,042,270	10,461,674
e. Balances with Central Excise Authorities	1,493,599	2,958,431
Total	139,712,357	137,063,609
Total Current Assets	302,311,665	244,334,943

Schedule - F
Current Liabilities & Provisions
a) Liabilities

Sundry Creditors	61,084,074	53,891,869
Customer's Credit Balance	3,590,099	8,491,529
Other Current Liabilities	31,145,784	14,200,547
Total	95,819,957	76,583,945

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

(Amount in Rs.)		
	As at 31.03.2009	As at 31.03.2008
b) Provisions		
Provision for tax (Net of taxes paid and TDS receivable)	1,821,255	2,227,646
Fringe Benefit tax	90,000	400,000
Total	1,911,255	2,627,646
Schedule - G		
Sales		
Petrochemicals	1,369,325,000	871,821,452
Other by products	29,153,703	136,204,397
Total	1,398,478,703	1,008,025,849
Schedule - H		
Other Income		
Miscellaneous Income	21,629,995	1,894,490
Interest Received	453,751	61,172
Income from Mutual Fund - Dividend	359,267	747,848
Income from Mutual Fund - Gains	2,296,582	7,470,074
Total	24,739,595	10,173,585
Schedule - I		
Increase / Decrease in Stock		
Opening Stock	12,838,210	12,663,388
Closing Stock	24,908,740	12,838,210
Total	12,070,530	174,822
Schedule - J		
Material Cost		
Raw Materials - consumed	951,103,677	589,127,022
Chemicals Catalysts Stores -Indigenous	10,933,966	7,369,090
Packing Expenses Others	9,320,544.00	5,500,222
Inward Freight and Transport - Others	3,076	39,872
Inward Freight and Transport - Raw Materials	92,522,497	71,873,761
Total	1,063,883,760	673,909,968

Schedule - K	(Amount in Rs.)	
	As at 31.03.2009	As at 31.03.2008
Manufacturing & Other Expenses		
Salaries, Wages & Bonus	22,280,430	16,447,104
Contribution to Provident and other funds	2,050,312	1,594,476
Employees Welfare Expenses	3,190,343	5,918,393
Power & Fuel	119,806,910	71,087,528
Freight and Transport	5,053,875	286,111
Rent	3,578,821	2,611,253
Rates & Taxes	1,096,418	559,218
Repairs & Maintenance - P&M, Roads & Buildings	6,122,614	22,740,254
Repairs & Maintenance - Others	12,132,392	654,902
Directors' Travelling Expenses	26,884	431,509
Travelling - Foreign	1,366,886	2,522,555
Travelling & Conveyance	4,377,837	2,948,982
Insurance	1,664,060	1,293,220
Sitting Fee to Directors	184,000	179,000
Auditors Remuneration	228,643	189,776
Professional & Consultancy charges	4,258,130	1,102,518
Administrative Expenses	5,230,954	2,290,572
Loss on Sale of Shares	7,210	605,057
Provision for Diminution in value of Investments	372,392	41,104
Provision for Doubtful debts	206,655	-
Selling & Distribution Expenses	3,698,486	8,324,536
Total	196,934,252	141,828,069

Schedule - L

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Financial Statements

The accounts are prepared as per the historical cost convention in accordance with the mandatory applicable Accounting Standards.

2. Fixed Assets & Depreciation

- a) Fixed assets are recorded at cost net of Modvat/ Cenvat credit wherever applicable. Costs include all expenses incurred in bringing the asset to its present location & condition.
- b) Depreciation on Fixed assets is provided at Straight Line Method in accordance with Schedule XIV of the Companies Act, 1956. Assets costing less than Rs.5000/- are fully depreciated in the year of addition.

3. Investments

Current Investments are stated at lower of cost and fair value by category of investment. Long term investments are stated at cost and diminution in value provided for only if it is permanent.

4. Inventories

- (a) Raw Materials and Stores and Spares are valued at weighted average cost.
- (b) Finished Stocks are valued at cost (including applicable overheads and excise duty) or net realisable values whichever is lower.
- (c) Modvat/Cenvat / Service Tax credits on materials are availed on purchases and utilised for payment of excise duty on goods manufactured and the unutilised credit is carried forward in the books.

5. Revenue recognition

- (a) All revenues are accounted on accrual basis
- (b) Sales are net of discounts and sales tax

6. Retirement Benefits Plans**Defined contribution plans**

The Company makes Provident Fund and Superannuation contributions to defined contribution retirement benefit plans for qualifying employees. Under the Provident Fund Scheme, the Company is required to contribute a specified percentage of payroll cost to The Employee's Provident Fund Scheme 1952 to fund the benefits. The interest as declared by the government from time to time accrues to the credit of the employees under the scheme. The settlement / transfer to individual employees is done by the Regional Provident Fund Commissioner. Under the Superannuation scheme the company is required to contribute a specified percentage of payroll cost to Under writers to enable them to make the settlement to the qualifying employees. Leave encashment benefit for all employees is in the nature of short term compensated absence and is accounted on accrual basis.

Defined benefit plans

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of an Insurance Company, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment.

7. Research and Development

Research and Development expenditure, other than capital, as and when incurred are charged to revenue.

8. Foreign Currency Transaction

Transactions in foreign exchange are initially recognized at the rates prevailing on the date of transaction. All monetary assets and liabilities are restated at balance sheet date using year end rates. Resultant exchange difference is recognized as income or expense in that period.

9. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired, after considering adjustment if any already carried out.

10. Provision of Contingent Liabilities

The Company creates a provision when there is a present obligation as a result of an obligation / event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

11. Earnings Per Share

The earnings considered in ascertaining earnings per share comprises of the net profit after tax before exceptional items. The number of shares used in computing earnings per share is the weighted average number of shares outstanding during the year. Diluted earning per share comprises of weighted average share considered for deriving basic earnings per share as well as dilutively potential equity shares.

12. Taxes on Income

Tax expense comprises of current tax, deferred tax and fringe benefit tax. Current income tax is provided on the taxable income for the period as per Income Tax Act 1961. Deferred tax is recognized, subject to consideration of prudence, on timing differences being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Fringe benefit tax for the year is determined as per the provisions of section 115 WC of the Income Tax Act, 1961.

B. NOTES ON ACCOUNTS

1. Segment

The company has only one segment viz. Manufacture of Polyisobutene.

2. Acknowledgement of Balances

The Company has obtained confirmation of balances from all the banks and has sent confirmation of balances to Debtors and Creditors and replies have been received in few cases.

3. Related Party Transactions

As per Accounting Standard - 18 (AS-18) issued by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

Name of the Related Party	Relationship
Kothari Sugars & Chemicals Ltd.	Promoter Company
Kothari International Trading Ltd.	Associate Company
Kothari Bio-tech Ltd.	Associate Company
Kothari Safe Deposit Ltd.	Associate Company
Kothari Real Estates Pvt. Ltd.	Associate Company
Century Foods Pvt. Ltd.	Associate Company
Parasakthi Trading Co. Pvt. Ltd.	Associate Company
Lavanya Holdings Pvt. Ltd.	Associate Company
Spell Bound Trading Pvt. Ltd.	Associate Company
Niharika Synthetics Pvt. Ltd.	Associate Company
Parvathi Trading & Finance Co. Pvt. Ltd.	Associate Company
Mr. B.H.Kothari	Key Management Personnel

SIGNIFICANT ACCOUNTING POLICIES

The related party balances and transactions are summarized below:

(Rs. in Lakhs)

Particulars	Promoters Company		Associate Company		Balance	
	2008-09	2007-08	2008-09	2007-08	31.03.2009	31.03.2008
Advances Taken	146.59	Nil	Nil	Nil	9.96	18.35
Advance given	70.00	Nil	Nil	Nil	Nil	Nil
Rent	Nil	Nil	8.75	8.44	Nil	Nil
Purchase of Asset	Nil	5.37	Nil	13.00	Nil	5.10
Sales of Scrap	8.60	Nil	Nil	Nil	Nil	Nil
Share Capital on amalgamation	Nil	Nil	Nil	Nil	Nil	1900.00
Locker Rent	Nil	Nil	0.06	0.08	Nil	Nil
Deposit	Nil	Nil	0.13	0.08	0.13	0.08
Interest	4.04	Nil	Nil	Nil	Nil	Nil

4. Taxes on Income

Deferred Tax Asset (Net) as on 31.03.2009 comprise of: (Amount in Rs.)

	As on 31.03.2009	As on 31.03.2008
Deferred Tax Asset	2,99,76,008	2,79,99,370
Less: Deferred Tax Liability	2,78,77,859	2,68,98,534
Net Deferred Tax Asset	20,98,149	11,00,836

The deferred tax asset has mainly arisen on account of carry over losses and depreciation available for set off in future and the deferred tax liability is on account of depreciation.

The adjustment of deferred tax asset is dependent on future taxable income and hence as a prudent measure deferred tax asset has not been recognized.

5. Contingent Liabilities

- Estimated amount of Contracts remaining to be executed on Capital Account & not provided for amount to Rs. Nil (Rs.Nil)
 - Bank guarantees Rs.100 lacs (Previous year.Rs.5 lacs)
6. The company has not received information from vendors regarding their status under Micro Small and Medium Enterprises Act, 2006, the disclosures relating to amounts unpaid as at the year end together with interest payable/paid under this Act have not been given.

7. Quantitative information in respect of goods manufactured

(a) Annual installed Capacity as certified by the Management (Unit in MT)

Product	31.03.2009	31.03.2008
Polyisobutene	22,000	22,000

(b) Actual Production (Unit in MT)

Product	31.03.2009	31.03.2008
Polyisobutene	11,652.02	8,255.64

(c) Raw Materials Consumed (Rs. in Lakhs)

Items	2008 - 2009		2007 - 2008	
	Quantity (MT)	Value	Quantity (MT)	Value
C4 Feed Stock	13,142.63	9,511.04	18,207.03	6,664.82
Others	-	1,127.80	-	74.28
Total	13,142.63	10,638.84	18,207.03	6739.10
Of the above				
Import	0%	0%	0%	Nil
Indigenous	100 %	100 %	100 %	6,739.10

(d) Finished Goods – Polybutene (Rs. in Lakhs)

Items	2008 - 2009		2007-2008	
	Quantity (MT)	Value	Quantity (MT)	Value
Opening Stock	281.35	-	264.11	-
Production	11,652.01	-	8,255.64	-
Sales	11,534.87	8,943.95	8,238.40	5,847.22
Closing Stock	398.49	-	281.35	-

(e) Sales (Rs. in Lakhs)

Items	2008-2009		2007-2008	
	Quantity (MT)	Value	Quantity (MT)	Value
Polybutene	11,534.87	8,943.95	8,238.40	5,847.22
LPG	10,584.57	4,418.88	9,402.00	3,319.15
Others	869.90	338.10	1,060.69	285.75
Conversion	1,669.75	283.86	3,694.97	628.14
Total		13,984.79		10,080.26

8. Earnings in Foreign Currency : (Rs. in Lakhs)

Items	2008-09	2007-08
Export Sales	3,274.11	2,205.34

9. Expenditure incurred in foreign currency on account of: (Rs. in Lakhs)

Items	2008-09	2007-08
Travelling	7.43	25.23
Professional Charges	23.73	-

10. Directors Remuneration: (Amount in Rs.)

Items	2008-09	2007-08
Directors Remuneration	Nil	Nil

11. Auditors Remuneration: (Amount in Rs.)

Items	2008-09	2007-08
Statutory Audit	82,725	84,270
Other Services	1,34,888	84,270
Tax Audit Fees	11,030	21,236
Total	2,28,643	1,89,776

12. The Goodwill of Rs.753 lakhs arising out of the merger effective from 1st April 2006 of PTPL with the company is being amortized over a period of five years with effect from 1st April 2006 in equal installments.

13. No provision is considered necessary towards urban land tax for the land in which Manali factory is situated pending disposal of a court case filed by the erstwhile owners (Kothari Sugars) against levy of enhancement of urban land tax and completion of the Process for registration of land.

14. Employee benefits

During the year, the company has adopted Accounting Standard AS (Revised 2005) "Employee Benefits". There is however no additional liability on account of such adoption. Liability in respect of gratuity to eligible employees is covered under an insurance policy and declaration has been provided to the under writers including its employees along with that of its associate viz. Kothari Sugars and Chemicals Limited as permitted in the variation deed dated 27.11.87 of the Kothari Sugars and Chemicals Limited Gratuity Trust. The contribution made in earlier years and investments as on 31.03.2009 as per the actuarial valuation made by Projected Unit Credit Method is cumulatively adequate to cover the liability of both Kothari Petrochemicals Limited and its Associate Kothari Sugars and Chemicals Limited as on 31.03.2009.

15. Previous year figures have been regrouped and rearranged wherever necessary to conform to the classification for the year.

For and on behalf of the Board

for **R.Subramanian and Company**
Chartered Accountants

B.H. Kothari
Chairman & Managing Director

P.S.Balasubramaniam
Director

N.R.Kuppuswamy
Partner
M.No.:203307

Place : Chennai
Date : July 24, 2009

R.Prakash
Company Secretary



KOTHARI PETROCHEMICALS LIMITED

Regd. Office: "Kothari Buildings", 115, Mahatma Gandhi Salai, Chennai - 600 034

PROXY FORM

Folio No.:

* Client ID No.:

(* in case of dematerialized shares)

I / We of in the district of being a member(s) of the above named company, hereby appoint Mr./ Ms. of in the district of or failing in/him/her Mr./ Ms. of in the district of as my / our proxy to attend and vote for me / us on my / our behalf at the 20th Annual General Meeting of the Company to be held on Friday, the 18th September 2009, at 10.15 A.M. at The Music Academy, (Mini Hall), Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 and at any adjournment thereof.

Signed this day of 2009.

No. of Shares held

The Companies Act 1956, lays down that an instrument appointing a Proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the Meeting. The Proxy need not be a Member of the Company.

Affix Revenue Stamp

Signature



KOTHARI PETROCHEMICALS LIMITED

Regd. Office: "Kothari Buildings", 115, Mahatma Gandhi Salai, Chennai - 600 034.

ATTENDANCE SLIP

REQUEST TO MEMBERS

Folio / Client ID No. :

Name of the Attending Member

Name of the Proxy*
* (If Proxy attends instead of member)

I here by record my presence at the 20th Annual General Meeting

Venue : The Music Academy,
Mini Hall, Old No. 306, New No.168,
T.T.K. Road, Chennai - 600 014.

Day & Date : Friday, 18th September, 2009.

Time : 10.15 A.M.

- 1. Shareholders and their proxies should bring the attendance slip duly filled in for attending the meeting.
- 2. Members are requested to bring their copies of the Annual Report to the Meeting as the Company is unable to provide another copy in view of the increased cost of paper.
- 3. Members are requested to be in their seats at the Meeting Hall before the scheduled time for commencement of the Annual General Meeting to avoid interruption in the proceedings.
- 4. Members intending to appoint Proxies are requested to complete the Proxy Form sent herewith and deposit the same at the Registered Office of the Company 48 hours before the time fixed for holding the Meeting.
- 5. If you and/or your family members are receiving more than one copy of the Annual Report and other communication and would like to avoid duplication, kindly advice us to mail only one copy. This will help us to avoid wastage.

Signature of Shareholder/Proxy

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