

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

July 08, 2022

Dear Sirs,

Stock Code - **KOTHARIPET**

Sub: 33rd Annual Report of the Company and e-voting process of Kothari Petrochemicals Limited for the financial year 2021 - 2022.

- (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 33rd Annual General Meeting of the Company is enclosed. The 33rd Annual General Meeting of the Company will be held on **Tuesday, 02nd August 2022 at 10.30 A.M** through Video Conference (VC) / Other Audio Visual Means (OAVM).
- (ii) Further, we wish to inform that in terms of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company shall provide to its members the facility to exercise their votes electronically for transacting the items of business as set out in the Notice convening the 33rd 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 Friday, 29th July, 2022 at 9.00 A.M and ends on Monday, 01st August, 2022 at 5.00 P.M. The cut-off date for reckoning the eligibility of the members for e-voting is Tuesday, 26th July, 2022.
- (iv) In compliance with MCA Circulars dated 05th May 2022, 05th May 2020, 08th April 2020, 13th April 2020, 13th January 2021 & 14th December 2021 and SEBI Circulars dated 12th May 2020 & 13th May 2022, Notice of the AGM along with the Annual Report 2021 - 2022 has been sent to the shareholders, only through electronic mode on Friday, 08th July 2022 to those members whose e-mail addresses are registered with the Company / Depositories.
- (v) Proof of sending of Annual Report through e-mail to shareholders is enclosed for your records.
- (vi) Kindly take the same on your record and display the same on the website of the Stock Exchange.

Thanking You,

Yours faithfully
for **Kothari Petrochemicals Limited**


K. Priya
Company Secretary & Compliance Officer



Encl. as above



CAMEO CORPORATE SERVICES LIMITED

Ref: CAM/KOTHARI PETRO/EMAIL/2022

8th July 2022

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

Dear Sir,

Sub: Sending of Annual report-2021-2022 to the shareholders through Email- Reg.

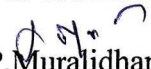
As per your request for sending Annual Report through Email to the shareholders of your company In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular no: 02/2022 dated May, 5, 2022 read with Circular No. 20/2020 dated May 05, 2020 read with circular 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: 21/2021 dated December 14, 2021 in relation to "Clarification on holding of Annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 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-39413 on 08.07.2022. The details of Email sent/returned is given below:

Description	No.of Holders
Total Email Sent on 08.07.2022	39413
Email returned undelivered	NIL
Invalid Email	---
Emails sent successfully	39413

This is for your kind information.

Thanking you,

Yours faithfully,
For CAMEO CORPORATE SERVICES LIMITED


P.Muralidharan
Joint Manager



Kothari Petrochemicals Limited

33rd Annual Report 2021 - 22





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

Secretarial Auditor

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

Registered Office

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

Legal Advisors

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

Manufacturing Unit

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

Registrar & Share Transfer Agent

M/s. Cameo Corporate Services Limited
Subramanian Building, 5th Floor,
No.1, Club House Road, Chennai - 600 002.
Phone No. 044 - 28460390 (5 Lines) / 40020700
Fax No.: 044 - 28460129
e-mail : investor@cameoindia.com

Listing

The National Stock Exchange of India Limited (NSE)

Stock Code**KOTHARIPET****ISIN****INE720A01015****CIN****L11101TN1989PLC017347**

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FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
PROFITABILITY ITEMS					
Gross Income	38,606.84	23,071.62	27,603.60	30,220.97	20,129.04
Profit (PBDIT)	5,222.30	3,787.23	3,048.50	2,356.03	1,949.88
Profit/ (Loss) After Tax	3,288.51	2,254.36	1,832.91	1,218.57	957.60
BALANCE SHEET ITEMS					
Net Fixed Assets	11,017.06	9,728.69	9,721.63	10,024.30	9,525.83
Investments	3,334.95	1,530.32	400.00	-	-
Total Capital Employed	17,435.31	13,471.87	11,107.50	9,888.53	9,692.19
Shareholders Funds	15,582.58	12,312.63	10,021.49	8,548.29	7,862.95
RATIOS					
Book Value per share (₹)	26.48	20.92	17.03	14.53	13.36
EPS (₹)	5.59	3.83	3.11	2.07	1.63
Return on Investment	21.10%	18.31%	18.29%	14.26%	12.18%

NOTICE TO THE MEMBERS

Notice is hereby given that the 33rd Annual General Meeting of Kothari Petrochemicals Limited will be held on Tuesday, 02nd August 2022 at 10.30 A.M. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

Ordinary Business

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, the Reports of the Auditors thereon and Report of the Board of Directors.
2. To appoint a Director in the place of Mrs. Nina B Kothari, (DIN: 00020119) who retires by rotation and being eligible offers herself for re-appointment.
3. **Re-appointment of Statutory Auditors for a second term of five years**

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

"Resolved that pursuant to the provisions of Section 139, 142 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. P. Chandrasekar LLP, Chartered Accountants (Registration No.: 000580S/S200066), be and are hereby re-appointed as Statutory Auditors of the Company for a second term of 5 (five) years to hold office till the conclusion of the 38th Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company".

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 2022-2023 which has been approved by the Board, be and is hereby ratified and confirmed".

5. **To consider and approve the Re-appointment of Mr. S. Sundarraman as an Independent Director of the Company**

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

"Resolved that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. S. Sundarraman (DIN: 01032768), who was appointed as an Independent Director and who holds office as an Independent Director till Nov 21, 2022 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, being eligible, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years, that is, upto Nov 21, 2027 subject to him continuously fulfilling the Independent Director criteria on the effective date of re-appointment.

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

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

K. Priya
Company Secretary

Place : Chennai
Date : May 25, 2022

Important Notes:

- (a) In view of the continuing COVID-19 global pandemic, the Ministry of Corporate Affairs vide its Circular No. 20/2020 dated May 05, 2020 read with Circular No.14/2020 dated April 8, 2020 read with Circular No.17/2020 dated April 13, 2020 read with Circular No.02/2021 dated January 13, 2021 read with Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated May 05, 2022 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) Corporate members are requested to send to the Company, a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote in the AGM through VC / OAVM on its behalf and to vote through remote e-voting. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
- (d) The Register of Members and Share Transfer Books will remain closed from Wednesday, the 27th July, 2022 to Tuesday, 2nd August, 2022 (both days inclusive) on account of the Annual General Meeting.
- (e) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
- Additional information, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to appointment of the Statutory Auditors of the Company, as proposed under Item No. 3 of this Notice under Ordinary Business, is also provided in the Explanatory Statement.
- (f) 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 Companies Act, 2013.

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

- (g) In terms of the extant provisions of IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the dividend 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) As an on-going measure to enhance the ease of doing business for investors in the securities market, SEBI through its Circular dated 3rd November 2021 and 14th December 2021 has mandated that the holders of physical securities should furnish the documents / details such as PAN (also Compulsory linking of PAN and Aadhaar), Nomination, Contact details such as postal address with PIN, Mobile number, E-mail address, Bank account details and Specimen Signature Updation to Registrars and Transfer Agents (RTA). The Norms for processing investor service request, including the aforementioned are standardized, simplified and made common across all service requests and that are prescribed in the SEBI Circular 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 one of the above said details.
- (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 re-appointment at the forthcoming Annual General Meeting is appended to this Notice.
- (l) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 13, 2022, Notice of the AGM along with the Annual Report 2021-22 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 April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 14, 2021 and May 05, 2022 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 Friday, 29th July 2022 at 9.00 A.M. and ends on Monday, 1st August, 2022 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. Tuesday, 26th July 2022 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 December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of share-holders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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 the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectreg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP received in registered mobile & email and a Verification Code as shown on the screen. After successful authentication, you will be re- directed to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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.
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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) • 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. • 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 Friday, 29th July 2022 at 9.00 A.M. and ends on Monday, 1st August, 2022 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. Tuesday, 26th July, 2022 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. Tuesday, 26th July, 2022.
- (d) Mr. M. Alagar / Mr. D. Saravanan of M/s. M. Alagar & Associates, (M.No.7488 / CP No.8196) 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 thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days after the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (f) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.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.

Ordinary Business

Item No. 3

M/s. P. Chandrasekar LLP, Chartered Accountants, was appointed as the Statutory Auditors of the Company at the 28th Annual General Meeting ('AGM') held on 7th September 2017 as the Statutory Auditors of the Company for a period of five years from the conclusion of the said AGM. Their present term will get completed with the conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014. The Board of Directors of the Company, on the recommendation of the Audit Committee, recommends the Ordinary Resolution as set out in the item No.3 of the Notice for the re-appointment of M/s. P. Chandrasekar LLP, Chartered Accountants, as the Statutory Auditors of the Company for the second term of five years from the conclusion of this AGM till the conclusion of the 38th AGM taking into their credentials and also based on the evaluation of the quality of audit work done by the Statutory Auditors.

Credentials of the Auditors: M/s. P. Chandrasekar LLP, Chartered Accountants formerly known as P.Chandrasekar was established in 1988 and headed by 12 experienced Partners assisted with a team comprising of Qualified Chartered Accountants and other supporting staffs. The firm has its offices at Bangalore and Chennai. The firm is empanelled with various regulators including C&AG and RBI. The firm's clientele inter-alia includes PSUs, Listed Companies in the Manufacturing, Banking and Service sectors.

The terms and conditions of re-appointment of the Statutory Auditors and the proposed fees are as follows:

- (i) **Term of Appointment:** 5 years from the conclusion of this AGM till the conclusion of 38th AGM.
- (ii) **Proposed Fees:** Remuneration for Statutory Audit is Rs.5,00,000 (Rupees Five Lakhs only) plus applicable taxes and reimbursement of actual out of pocket expenses incurred by them in connection with the statutory audit of the Company for the financial year 2022-23. The remuneration payable to the Statutory Auditors for the remainder of the second tenure of the proposed re-appointment will be subsequently determined by the Board as per the recommendations of the Audit Committee from year to year.

The proposed fees is based on expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmarks. The fees for services in the nature of limited review, statutory

certifications and other professional work will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit Committee.

M/s. P. Chandrasekar LLP, Chartered Accountants have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act. None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested either financially or otherwise, is interested in this Resolution. The Board, based on the recommendation of the Audit Committee, recommends the Ordinary Resolution as set out in item no. 3 of this notice.

Special Business

Item No. 4

The Audit Committee and the Board of Directors of the Company at their meetings held on 25th May, 2022 appointed M/s. P. Rajulyer, M. Pandurangan & Associates, Cost Accountants as the Cost Auditor for the Poly Iso Butylene (PIB) unit of the Company for the year 2022-2023.

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 Rs.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 2022-2023 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 25th May 2022.

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 in 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 Resolution set out in Item No. 4 to the shareholders of the Company.

Item No. 5

The Members of the Company at the 29th Annual General Meeting held on 30th July, 2018 approved the appointment of Mr. S. Sundarraman (DIN 01032768) as an Independent Director for a term of five years effective from 22nd November, 2017. In terms of the provisions of Section 149 of the Act, Mr. S. Sundarraman is eligible for re-appointment for a second term. Pursuant to Sections 149, 152, 160 and all other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), approval of the members by way of Special Resolution is required for the reappointment of Mr. S Sundarraman for a second term of five consecutive years from 22nd November, 2022 to 21st November, 2027. The Company has received a notice from a member proposing the candidature of Mr. S. Sundarraman for appointment as an Independent Director of the Company for a second term of five consecutive years. Mr. S. Sundarraman, has given his consent and also declaration that he meets with the criteria of independence as provided in Section 149(6) of the Act and Regulations and subject to him continuing to fulfill the criteria at the time of this Resolution taking effect.

The Board of Directors reviewed the said declarations and in the opinion of the Board, Mr. S. Sundarraman fulfills the conditions specified in the Act, the Rules made thereunder, Regulations for his appointment as an Independent Director and he is independent of the management. The Board, after taking into consideration the valuable contributions made by Mr. S Sundarraman; his participation in the Board and based on his performance evaluation, unanimously recommends the Special Resolution as set out at item no. 5 of this notice. Except Mr. S Sundarraman, being the appointee, none of the Directors and Key Managerial or their relatives are interested financially or otherwise in the Resolution as set out in item no. 5 of this notice. A copy of the draft letter of appointment of Mr. S Sundarraman setting out the terms and conditions is available for inspection without any fee at the registered office of the Company during normal business hours on working days upto the date of the Annual General Meeting.

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

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

Place : Chennai
Date : May 25, 2022

K. Priya
Company Secretary

ANNEXURE TO THE NOTICE

THE INFORMATION IN RESPECT OF ITEM NO. 2 & 5, 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	Item No. 5
Name of the Director	Nina B Kothari	S. Sundarraman
Date of Birth	21.07.1962	11.05.1968
Date of first appointment on the Board	27.05.2014	22.11.2017
Qualification	B.A. (Economics)	B.Com., Fellow Member of the Institute of Chartered Accountants of India.
Experience in specific functional areas	She is holding directorship in H.C. Kothari Group of Companies. She held various positions in prestigious institutions as Treasurer of Crafts Council of India, World Crafts Council and Chairman of National Crafts & Heritage Committee of ASSOCHAM. She was the President of International Womens' Association (IWA).	Mr. S. Sundarraman has three decades of experience in the areas of Accounting, Auditing and Direct & Indirect Taxes. He is involved with the academia of various professional organizations in the aforesaid areas. He has been consistently recognized for his ability to design and implement proactive, cost-saving solutions for businesses.
List of other Public Companies in which Directorship held	a) Kothari Sugars and Chemicals Limited b) Kothari Safe Deposits Limited	Nil
Chairman / Member of the Committee of the Board of Director of the Company	Chairperson CSR & SRC Member NRC & ICAC	Chairman AC & NRC Member SRC, CSR & ICAC
Listed entities from which resigned in the past three years	Nil	Nil
Chairman/ Member of the Committee of the other companies in which he/she is a Director	Kothari Sugar and Chemicals Limited Chairperson CSR	Nil
Number of Shares held in the Company (both own or held by/ for other persons on a beneficial basis) as on March 31, 2022	62,57,500 Equity Shares	4,000 Equity Shares
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mrs. Nina B. Kothari is the mother of Mr. Arjun B. Kothari, Managing Director of the Company.	Not related to Promoters and Directors in the Company.
Number of meetings attended during the year.	Please refer Corporate Governance Section.	
Skills and capabilities required for the role and the manner the proposed Independent Director meets such requirements	Not Applicable	Please refer Corporate Governance Section.

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

BOARD'S REPORT

To the Members

The Directors have pleasure in presenting before you the 33rd Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March 2022.

Financial Summary of the Company

(₹ in Lakhs)

Sl. No.	Particulars	2021 - 2022	2020 - 2021
(i)	Total Turnover	38,606.85	23,071.62
(ii)	Profit / (Loss) before Interest and Depreciation and exceptional item	5,432.85	3,787.23
(iii)	Interest	61.62	88.91
(iv)	Depreciation	553.68	550.67
(v)	Exceptional item	210.55	-
(vi)	Profit / (Loss) Before Tax	4,607.00	3,147.65
(vii)	Tax Adjustments including Deferred Tax	1,318.49	893.29
(viii)	Profit / (Loss) after Tax	3,288.51	2,254.36
(ix)	Other comprehensive income	(18.56)	36.78
(x)	Total comprehensive income	3,269.95	2,291.14
(xi)	Profit brought forward from previous year	6,393.55	4,102.41

Financial Highlights

The Company's Profit before Tax for the year ended 31st March 2022 has increased by ₹ 1,459.35 lakhs to ₹ 4,607.00 lakhs as compared to ₹ 3,147.65 lakhs in the previous year. The total revenue from operations for the year ended 31st March 2022 is ₹ 38,152.54 lakhs as against ₹ 22,683.71 lakhs in the previous year. The increase in revenue is due to increase in Poly Iso Butylene (PIB) sales volume from 24,918.95 metric tonne to 29,302.17 metric tonne and mainly attributable due to increase in sale prices resulting from a rise in the price of raw material inputs.

Status of the Plant

The plant production capacity is 36,000 MT per year and necessary statutory approvals are received. The plant is ready to produce at full capacity and we are seeing robust demand both in the domestic and export market.

The supplies from the adjacent refinery have improved both in terms of quality and quantity in FY 2021-22 compared to previous year. Continuous usage of high pure raw material helped the Company to achieve greater operating efficiencies along with energy saving, water saving initiatives has resulted in a better contribution to the bottom line.

Currently your Company has a captive power plant that uses Paddy husk as fuel and so far, the availability of fuel is ensured through proper supply agreement with few suppliers. However, in long run, we anticipate a push by the Pollution Board authorities to use clean fuels such as LNG to operate the Boilers. Taking this into consideration, your Company is working on the viability of converting the existing Boiler to handle clean fuels and evaluating other fuel alternatives.

The 247 kw solar plant continues to generate power which is consumed by the main plant along with captive power plant generation. Some more solar panels are being planned to be installed on the available roofs in the plant area to get more renewable energy in order to reduce our cost of power & environmental impact.

Water supply from Metro water Board from their TTRO plant supported to handle the effluent more effectively and thus the discharge of effluent has been significantly reduced. Your Company is mindful of our impact to the environment and consistently looking at ways and means to reduce our liquid effluent discharge.

Your Company continues to retain ISO certification - 9001:2015 for Quality Management system and 14001:2015 for Environmental Management system.

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

Performance

For the 10th consecutive year in succession, your Company has achieved 11,673 days "Accident Free" operation. 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 achieved a record production of 30,789 MT in comparison to the previous year production of 25,001 MT which translates to 100% capacity utilization in terms of licensed capacity.

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

Your Company was awarded twice by CII, one is “Excellence In Energy Management” Award and the other is a Special category Award for “Best Energy Practices” for the efforts taken to conserve Energy in financial year 2021-22. National Safety Council, Tamil Nadu Chapter also recognized your Company by awarding a Star Award “Occupational Health, Safety and Environment Awards 2020”.

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

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

Plant automation

The first phase of Reactor operation in Auto mode using APC philosophy has shown encouraging results and further improvements are being taken up. Catalyst preparation which is so far more hazardous to handle manually is now completely automated.

Safety

General Safety Audit has been conducted during Jan 2021. Some few action items, which needed long shutdown of the plant are now being attended and all the other suggestions / recommendation given by the auditing team are completed. To bolster our Safety practices, we have received ISO 45001:2018 certification in the financial year 2021-22 for Occupational Health and Safety Management System.

Pollution and Environment compliances

The Central Pollution Control Board (PCB) has introduced “Online” monitoring and checking for the Air and Effluent parameters. Your Company has created all necessary facilities as per Pollution Control Board’s direction and submitted the records confirming the statutory requirements with respect to pollution norms. PCB has advised all the units to retrofit the DG sets to control the PM emission by 75% from the existing level. Your Company also made investments on Retrofitting to meet the PCB norms.

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).

Around ₹ 44 Lakhs have been spent for R & D in the Financial Year 2021-22 for various research activities and infrastructures to improve Value Addition for the Co-products and for new applications.

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

(a) Conservation of Energy :

Your Company implemented the following Energy Saving Practices which gave substantial cost saving to your Company.

- (i) Waste Heat recovery from HP condensate drum vent using PHE.
- (ii) Closed loop drain and OFF gas recovery system implementation.
- (iii) E-109 waste heat recovery using Hot condensate.
- (iv) Converting Slop into Desired Product.
- (v) V-108 & 208 LT Provision and P-109 & 209 Auto operation.

(b) Technology absorption:

₹ 56.09 Lakhs was spent in Financial Year 2021-22 mainly in the areas like Waste heat recovery, Off gas recovery, Ultrasound Leak detector, Thermal scanner and LT based pump operation to save electricity.

(c) Foreign exchange earnings and Outgo:

(₹ in Lakhs)

Sl. No.	Particulars	2021-22	2020-21
(i)	Total Foreign Exchange earned	5,827.83	6,983.71
(ii)	Total Foreign Exchange outflow	270.78	82.07

Dividend

The Board of Directors met on 25th May 2022 to take account of the full year performance, various growth opportunities, and the ongoing expansion project. After reviewing this, the Board of Directors has decided not to recommend any dividend for the year 2021- 2022 considering the ongoing expansion project and to conserve resources.

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 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, 2022 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

Mrs. Nina B Kothari, (DIN: 00020119) Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

Mr. S. Sundarraman (DIN: 01032768) was appointed as an Independent Director w.e.f. 22.11.2017 for a term of five years and based on the evaluation of his performance and the recommendation of the Nomination and Remuneration Committee, the Board proposes to reappoint him for a second term of 5 years as an Independent Director w.e.f. 22.11.2022 subject to approval of shareholders in this Annual General Meeting by passing a Special Resolution in accordance with Section 149 (10) read with Schedule IV of the Act.

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

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

Declaration from Independent Directors

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 and Regulation 16 of the SEBI (LODR) Regulations, 2015 that the Independent Directors of the Company meet the criteria of their Independence laid down in Section 149(6) including the confirmations that their names have been included in the Data Bank maintained by the Indian Institute of Corporate Affairs and Mr. S. Sundarraman has cleared the online proficiency self-assessment test and all other Independent Directors were exempted from undergoing this test for the Independent Directors pursuant to Rule 6(4) of Companies (Appointment and Qualification of Directors) Rules, 2014.

During the year under review, the Independent Directors met on March 10, 2022 without the presence of Non - Independent Directors and members of the Management.

Composition of Audit Committee

The details of composition of Audit Committee is provided in Corporate Governance Report of this Annual Report. The Board has not rejected any proposal / recommendations of Audit Committee during the year.

Remuneration Policy

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

Vigil Mechanism / Whistle Blower Policy

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

Particulars of Loans, Guarantees or Investments

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

Related Party Transactions

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

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

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

Prevention of Insider Trading

The Company has adopted a Code of Prevention of Insider Trading with a view to regulate trading in securities by the 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 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.

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 Auditors of the Company M/s. P. Chandrasekar LLP, Chartered Accountants (Registration No.: 000580S/S200066) hold office till the conclusion of the 33rd Annual General Meeting of the Company.

At the ensuing AGM, the first term of five years of M/s. P. Chandrasekar LLP, Chartered Accountants shall expire, and they are eligible for re-appointment for another term of 5 years under the provision of the Companies Act, 2013. The Company has received their written consent pursuant to section 139 of the Companies Act, 2013 and a certificate that they satisfy the criteria provided under section 141 of the Companies Act, 2013 and the Rules frame there under, confirming their eligibility for re-appointment as Auditors 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.

Your Directors have therefore proposed to appoint M/s. P. Chandrasekar LLP, Chartered Accountants as Statutory Auditors of the Company, subject to the approval of the shareholders at the ensuing AGM.

There are no qualifications or observations or any adverse remarks made by the Auditors in their Report on the Financial Statements for the year 2021-22.

b) Cost Auditor

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

c) Secretarial Auditor

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

Deposits

The Company has not accepted deposits either from members or public falling within the ambit of Chapter V of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014 during the year. There were no outstanding deposits during and end of the financial year 2021 - 2022.

Significant & Material orders passed by the regulators

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

Internal Control Systems and their Adequacy

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

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

Risk Management

Pursuant to the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down the procedures to inform Board Members about the risk assessment and minimization procedures. Accordingly, the Company annually 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

Disclosure about Cost Audit

Filing of Cost Audit Report	2021 - 2022	2020 - 2021
Due Date	27.09.2022	27.09.2021
Actual Date	30.08.2022(tentatively)	20.08.2021
Cost Auditor Details	M/s. P. Rajulyer, M. Pandurangan & Associates, M.No.27969, Chennai.	M/s. P. Rajulyer, M. Pandurangan & Associates, M.No.27969, Chennai.
Audit Qualification in Report	-	Nil

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 2022- 2023 to NSE where the Company's shares are listed.

As part of its initiatives under "Corporate Social Responsibility" (CSR), the company has contributed funds for the promotion of health care, creating health infrastructure including COVID care, establishment of medical oxygen generation and storage plants, etc. The contributions in this regard have been made to the Registered Trust which is undertaking these schemes. Detailed report on CSR activities in the prescribed format is forming part of this Annual Report.

Annual Performance Evaluation

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

The structured questionnaire covers various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance 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 10th March 2022 to review the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairperson of the Company and also assessed the quality, quantity and timeliness of flow of information between the company management and the Board without the presence of the Non-Independent Directors and members of the Management.

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.

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	8.64 : 1
(ii)	Mr. M. Rajavel	Whole Time Director	10.30 : 1

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

Sl. No.	Name	Designation	Percentage of Increase
(i)	Mr. Arjun. B.Kothari	Managing Director	No increase
(ii)	Mr.M.Rajavel	Whole Time Director	12%
(iii)	Mr. S. Sivamahesh	Chief Financial Officer	10%
(iv)	Mrs. K.Priya (*)	Company Secretary	-

(*)Mrs. K. Priya was appointed as Company secretary and Compliance Officer of the Company with effect from 11th April 2021

- (c) 9.80 % increase was reported in the median remuneration of employees in the financial year 2021- 2022.
- (d) The number of permanent employees on the rolls of company as on 31st Mar 2022: 149.
- (e) Increase of remuneration for employees varies between 4% to 21% 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.

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.

Compliance with Secretarial Standards

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

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

Place : Chennai
Date : May 25, 2022

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, 2022.

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	Ajjun B Kothari	Managing Director	B.Sc., Northwestern University, USA & Global Health and European Politics from Paris Institute of Political Studies, Paris, France	158.49	Permanent	08.04.2015	30	8	General Electric Company, USA	9,593	Mr. Ajjun B. Kothari is the son of Mrs. Nina B. Kothari, Chairperson of the Company
2	M. Rajavel	Whole Time Director	B.Sc.	82.40	Permanent	04.05.1997	59	36	Chemfab Alkalis Pvt. Limited	-	-
3	N. Ramakumar	GM-Finance & Accounts	FCA	38.27	Permanent	01.06.2010	57	35	Kothari Sugars and Chemicals Limited	-	-
4	P. Premapriyan	Vice President - Operation	B.E. Chemical	30.66	Permanent	01.11.2018	42	22	Oren Hydrocarbons Pvt. Ltd.	-	-
5	S. Sivamahesh	Chief Financial Officer	M.Com., ACA	30.06	Permanent	30.01.2019	37	13	Stanadyne India Pvt Ltd	-	-
6	R. Saravanan	Sr. Manager Business Devp.	B.Tech Chemical, PGDM-MKRT	28.99	Permanent	08.03.2018	42	21	Wolkem India Ltd	-	-
7	S. V. Ramesh	DGM - Supply Mgmt	DME	25.74	Permanent	08.10.2011	52	28	Bonfiglioli Transmissions Pvt Ltd.	-	-
8	K. Sreekanteswaran	President - Legal & Taxation	B.Com.	24.54	Permanent	16.06.2011	60	11	Madras Entertainment Pvt. Ltd	-	-
9	S. Chellappa	AGM - IT	M.C.A	22.62	Permanent	01.07.2013	54	29	Kothari Sugars and Chemicals Limited	200	-
10	J. Janarthanan	AGM - Taxation	M.A, M.Phil (Economic), MBA (Finance)	20.44	Permanent	01.07.2013	48	25	Kothari Sugars and Chemicals Limited	-	-

Notes:

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

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

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 covered 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

kotharipetrochemicals.com/wp-content/uploads/2021/10/CSR-Policy-2021-with-Annual-Action-plan-2021-22.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
(i)	2021 - 2022	Nil	Nil

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

(₹ in Lakhs)

Sl. No.	For the Financial Year	Annual Net Profit
(i)	2020 - 2021	3,122.90
(ii)	2019 - 2020	2,434.84
(ii)	2018 - 2019	1,595.65
Total		7,153.40
Average Annual Net Profit		2,384.47

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

2% of Average Net Profit works out to ₹ 47.69 Lakhs

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

Nil

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

Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 47.69 Lakhs

8. (a) CSR Amount spent or unspent for the financial year:

(Amount Unspent (in ₹))

Total amount spent for the Financial year (amount in ₹)	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 47,68,940/-	Nil		Nil		

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the Project		Project duration	Amount allocated for the Project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
No ongoing project was approved during the financial year 2021 - 2022												

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the Project		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Contribution towards Oxygen Concentrators to CMC, Vellore	Promoting health care	Yes	Tamil Nadu	Vellore	₹ 2,50,000	Yes	Directly to 'CMC Vellore Association' along with other Companies in the Southern Region	CSR00001924

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the Project		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
2	Contribution towards Oxygen Generators to Government Hospitals		Yes	Tamil Nadu	Chennai	₹ 10,00,000	Yes	Direct	Not applicable
3	Promoting health care, creating health infrastructure including COVID care, establishment of medical oxygen generation and storage plant etc.	Promoting health care	Yes	Tamil Nadu	Chennai	₹ 35,18,940	No	Through Implementing Agency - Shyam Kothari Foundation	CSR00005719
Total						₹ 47,68,940			

(d) Amount spent in Administrative Overheads : Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 47,68,940

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	47,68,940
(ii)	Total amount spent for the Financial Year	47,68,940
(iii)	Excess amount spent for the financial year [(ii) - (i)]	0
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years (iii) - (iv)]	0

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NA							

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

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

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

(a) Date of creation or acquisition of the capital asset(s) : -

(b) Amount of CSR spent for creation or acquisition of capital asset : Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Name of the Trust : N.A.
 Section 12AA Registration No. : N.A.
 Section 80G Registration No. : N.A.
 Address of the Trust : N.A.

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

Capital asset(s) created : N.A.
 Address where capital assets located : N.A.

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

2% of average Net Profit has been spent during the financial year 2021 - 2022.

Place: Chennai

Date : May 25, 2022

Arjun B Kothari
 Managing Director

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

FORM NO. MR 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022
[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,
 Nungambakkam, Chennai - 600 034.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KOTHARI PETROCHEMICALS LIMITED (hereinafter called “**the Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon. Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by KOTHARI PETROCHEMICALS LIMITED and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended March 31, 2022, 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, 2022 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 (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
 - (d) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (f) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - (g) 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**

V. Vasumathy

Practising Company Secretary

Place : Chennai

FCS No.: 5424 / COP No.: 9451

Date : May 06, 2022

UDIN : F005424D000282681

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

Annexure - "A"

To

The Members

KOTHARI PETROCHEMICALS LIMITED

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

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

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**

V. Vasumathy

Practising Company Secretary

Place : Chennai

Date : May 06, 2022

FCS No.: 5424 / COP No.: 9451

Management Discussion and Analysis

Industry Structure & Development :

Polyisobutylene (PIB) is a Polymer made from Isobutylene. Our polymer has a wide variety of uses, some examples are lubricants, dispersants, sealants, plastic, rubber, adhesive, and personal care. 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 to 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 are high growth segments and will be in key focus to your Company to establish a leadership position in a fragmented & unchanged market. Rubber & Tyre manufacturing are areas where PIB has a natural fit, we envision a good product growth via increasing volume in a robust, and essential end market. Both segments will provide good head room for future growth while providing a distinctive competitive advantage.

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 2021 - 2022 with a licensed capacity of 36,000 MT per year and currently meets around 80% of the domestic demand of conventional PIB.

KPL has established its supply chain in China and the Southeast Asian market in a large way as a strategy to be a dependable and high quality PIB supplier. This is aimed to support additional volumes after having increased the production capacity. We intend to grow our customer base in China, Southeast Asia and Europe and continue this supply in the future with our expanded capacities.

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.

Application of PIB in tyre industry is a new and specialized application. Our team is constantly interacting with customers to ensure our products acceptance. This application well entrenches our product and gives us a long and healthy demand.

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. Our greatest pride is the fact that our customers are giving a positive feedback & helping to spread the word about the benefits of our product.

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 continue to use diversified raw material sources for operations to maintain stability and reliability of our operations. This is in response to the raw materials received from a government refinery in the past being inconsistent in terms of quantity and quality. However, we are happy to note that significant steps have been made by them to give us confidence in their operations once again.

The PIB global demand was constant yet due to the ongoing COVID pandemic it appeared to decline. After analyzing this drop we were able to attribute it to a significant drop in production from a few of our competitors and ongoing logistics & supply chain problems. Uncertainties in vessel berthing, arrival, getting space slots, arrival on-time & port clearance have been a significant challenge to KPL and our customers. These factors were hurdles for KPL to overcome, and a special appreciation goes to all members of our logistics and supply chain for helping our organization achieving excellent On-Time-In-Full (OTIF) performance. There were great learnings through the pandemic and we have worked closely with key customers to get around the supply chain issues and provide robust business continuity plans (BCP) and ensure customer satisfaction.

Electric vehicles are the future of transportation in the world. Through our interactions with customers, KPL is confident that Indian EV growth will take over a decade to see a significant presence in our daily lives. This will reduce the PIB usage significantly for the internal combustion engine application, however since all moving parts require lubrication there will continue to be a use for PIB lubricants even in the EV era. Areas such as in heavy motors, railways, marine engines will continue and expected to grow less than 3% CAGR. We are confident that the volumes displaced by the EV growth in the market will be able to be housed in different segments.

Currency volatility is a key concern given India is a net importer of oil for its energy needs. KPL interacts with professionals to hedge the risk of currency fluctuation.

The recent developments in Europe have disturbed the global oil market and prices have been volatile. This has caused a cascading effect in steep increase in price of our raw materials and correspondingly our product pricing. While KPL might appear cushioned by an increase in input pricing, the final customers reluctance to spend given the current levels of inflation reflect a global slowdown is on the horizon.

Internal Control Systems and their adequacy :

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

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

Human Resources / Industrial Relations :

Human resources are the most important resources in an organization and needs to be used efficiently, because success, stability and growth of an organization depends on its ability in acquiring, utilizing and developing the human resources for the benefit of the organization. In the final analysis, it is the people (i.e., employees) who produce results and generate a climate conducive to the growth and development of the organization.

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

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

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

Total number of employees as on 31st March 2022 was 149 in respect of petrochemical operations.

Operational Performance :

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
Number of days operated:		
Plant 1	357 days	313 days
Plant 2	352 days	339 days
Total Production in Metric Tons	30,789 MT	25,001 MT
Plant Capacity utilization (basis: Kvis 10 operation)	100%	100%
Accident free operation	365 days	365 days

Financial Performance :

The Company has reported total operating income of ₹ 38,152.54 lakhs for the year ended 31.03.2022 as compared to ₹ 22,683.71 lakhs for the year ended 31.03.2021. The Company's profit after tax (PAT) for the financial year 2021 - 2022 is ₹ 3,288.51 lakhs as against ₹ 2254.36 lakhs in 2020 - 2021.

Key Ratios

Description	U/M	2021-22	2020-21	Remarks
Debtors Turnover	Days	20.97	29.67	Improved collection due to more domestic sales
Inventory Turnover	Days	17.46	15.75	Due to increase in domestic sales.
Interest coverage Ratio	Times	75.76	36.40	Due to lower interest cost and improved profitability.
Debt Equity Ratio		0.43:1	0.39 :1	Due to increase in total liabilities-Capacity enhancement project.
Operating Profit Margin	%	11.44	12.17	Due to increase in Finished Goods stock at the year end to service the customers during the shutdown in April 2022.
Net Profit Margin	%	8.62	9.94	Due to increase in Finished Goods stock at the year end to service the customers during the shutdown in April 2022
Return on Net worth	%	21.15	18.36	Improved profitability due to increase in production and sales.

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

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

Place : Chennai
 Date : May 25, 2022

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.

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

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

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

Composition of the Board and Directorship held as on 31st March 2022:

Name of the Directors	Director Category	No. of Board Meetings Attended	Attendance of previous AGM held on Jul 29, 2021	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	3	Yes	15	-	-	62,57,500
Mr. Arjun B. Kothari	Promoter & Managing Director	4	Yes	14	1	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	02	-	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 son 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 24th May 2021, 29th Jul 2021, 08th Nov 2021 and 27th Jan 2022.

Familiarisation programme for Independent Directors

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

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

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

The Board of Directors 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 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 2022 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 Annual General Meeting of the company held on 29th Jul 2021. The Audit Committee met four times during the year on 24th May 2021, 29th Jul 2021, 08th Nov 2021, and 27th Jan 2022.

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 Annual General Meeting of the Company held on 29th Jul 2021.

The attendance of each Director in the Nomination and Remuneration Committee meeting held during the year ended 31st March 2022 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 17, 2021.

Remuneration Policy

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

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

Criteria of selection of Non-Executive Directors

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

Remuneration

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

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 2021 - 2022

(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	90,000	N.A	10,000	10,000	N.A	1,10,000
Mr. S. Sundarraman	1,20,000	80,000	10,000	10,000	10,000	2,30,000
Mr. V. V. SuryaRau	1,20,000	80,000	N.A	10,000	10,000	2,20,000
Mr. Brij Mohan Bansal	1,20,000	80,000	N.A	N.A	10,000	2,10,000
Mr. Gautam Roy	1,20,000	80,000	N.A	N.A	10,000	2,10,000
Total	5,70,000	3,20,000	20,000	30,000	40,000	9,80,000

The other transactions with non-executive directors' vis-à-vis the company during the Financial Year ended 31st March, 2022 are disclosed elsewhere in the annual report.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

The Committee met 03 times during the year 2021 - 2022. 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 2022 is as follows:

Sl. No.	Name of the Directors	Designation	No. of Meetings held	No. of Meetings attended
(i)	Mrs. Nina B.Kothari	Chairperson	03	03
(ii)	Mr. Arjun B.Kothari	Member	03	03
(iii)	Mr. S. Sundarraman	Member	03	03

The Chairperson of the Stakeholders' Relationship Committee was present at the previous Annual General Meeting of the company held on July 29, 2021.

General Body Meetings:

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

Year / Date / Day / Time	Venue
2020 - 2021 July 29, 2021, Thursday, 11.00 A.M	The Annual General meeting was held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office i.e. No.115, Kothari Buildings, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034 shall be deemed to be venue of the meeting
2019 - 2020 August 10, 2020, Monday, 10.00 A.M.	The Music Academy, Mini Hall, Old No. 306, New No.168, T.T.K. Road, Chennai - 600 014.
2018 - 2019 August 06, 2019, Tuesday, 10.30 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
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
Aug 06, 2019	No	-

No special resolution was passed by the shareholders of the company through postal ballot during the year 2021- 2022.

MEANS OF COMMUNICATION

- (a) The Unaudited Quarterly Financial Results and Audited Annual Financial Results of the company are published in The Financial Express and Makkal Kural.
- (b) 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 updations of its website. The Company has designated email-id kplcs@hckgroup.com and secdept@hckgroup.com to enable the shareholders to register their grievances.
- (c) 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.
- (d) No presentations have been made to institutional investors or to analysts.

GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting

Day, Date and Time	Tuesday, 02 nd August 2022 @ 10:30 A.M.
Venue	The Annual General meeting will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"). The Registered office i.e. No.115, Kothari Buildings, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034 shall be deemed to be venue of the meeting.

(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, 2022	First fortnight of August, 2022
Results for Quarter ending 30 th September, 2022	First fortnight of November, 2022
Results for Quarter ending 31 st December, 2022	First fortnight of February, 2023
Results for Quarter ending 31 st March, 2023	Last Week of May, 2023

(c) Date of Book Closure

The period of Book Closure is fixed from Wednesday, 27th July 2022 to Tuesday, 02nd August 2022 (both days inclusive).

(d) Listing of Shares

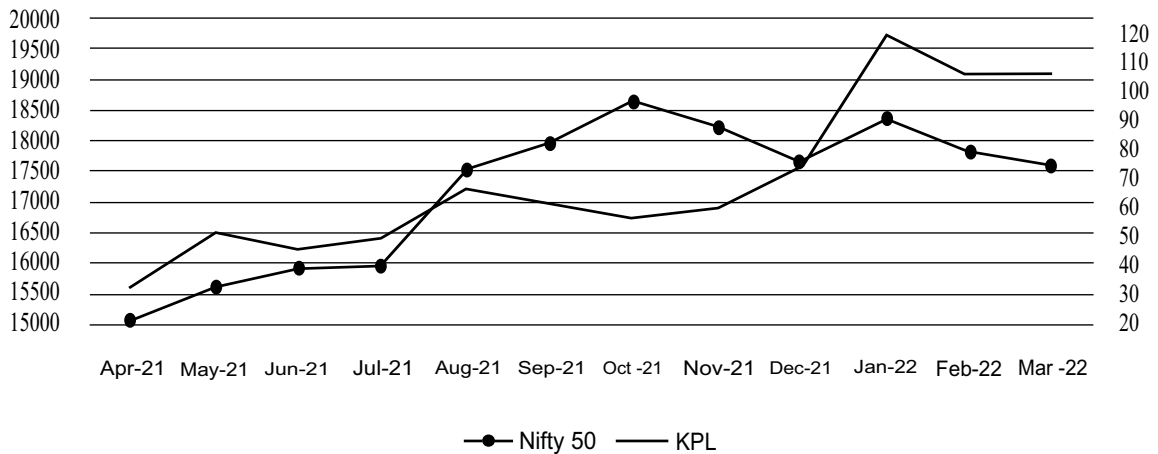
The shares of the Company are listed at The National Stock Exchange of India Limited (NSE), Mumbai and the Listing Fees for the Financial Year 2022 - 23 has been paid. (Stock Code: KOTHARIPET), ISIN: INE720A01015.

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

(f) Stock Market Data

(Amount in ₹)

FY 2021-22	Kothari Petrochemicals Limited Share Price			Nifty 50		
	High	Low	Volume of shares traded	High	Low	Volume of shares traded
Apr 2021	32.00	23.50	22,01,226	15,044.35	14,151.40	9,64,01,29,394
May 2021	51.15	28.20	1,02,73,523	15,606.35	14,416.25	10,26,97,51,390
Jun 2021	44.50	36.15	40,67,898	15,915.65	15,450.90	8,07,90,93,816
Jul 2021	49.25	39.75	62,39,002	15,962.25	15,513.45	5,99,67,44,162
Aug 2021	65.70	44.10	1,44,75,281	17,513.50	15,834.65	6,34,98,67,214
Sep 2021	60.40	49.10	38,55,720	17,947.65	17,055.05	6,95,55,27,074
Oct 2021	56.00	46.55	19,95,011	18,604.45	17,452.90	7,65,10,78,812
Nov 2021	59.70	45.70	33,92,445	18,210.15	16,782.40	5,85,34,08,560
Dec 2021	72.85	51.25	1,00,95,335	17,639.50	16,410.20	5,49,92,73,903
Jan 2022	119.00	64.10	2,07,11,129	18,350.95	16,836.80	5,43,54,47,093
Feb 2022	105.00	75.00	40,18,810	17,794.60	16,203.25	5,62,02,92,631
Mar 2022	106.00	81.35	55,17,352	17,559.80	15,671.45	7,95,97,08,234

Performance of the Company Share Price Vs Nifty 50

(g) Distribution of Shareholding as on 31st March 2022

(Amount in ₹)

₹ of Equity shares held	No. of Shareholders	Paidup Capital
Upto 5000	40,434	3,52,52,290
5001-10000	1,992	1,67,91,490
10001-20000	712	1,11,63,860
20001-30000	229	58,42,150
30001-40000	113	40,90,730
40001-50000	99	47,53,310
50001-100000	98	76,47,040
100001 and above	113	50,29,23,130
Total	43,790	58,84,64,000

(h) Reconciliation of Share Capital Audit

Quarterly audit was conducted by a Practising Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31st March 2022, the aggregate of shares held by investors in both physical form and in electronic form with the depositories are reconciled. 5,74,59,575 equity shares representing 97.64% of the paid-up equity share capital have been dematerialized as on 31st March 2022.

(i) Registrar and Share Transfer Agents

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

(j) Foreign Exchange Risk and hedging activities

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

(k) Plant Location

Manali	No.1/2-B, 33/5, Sathangadu Village, Tiruvottiyur - Ponneri High Road, Manali, Chennai - 600 068. Tamil Nadu. Phone Nos. : 044 - 2594 1308 / 1309, Fax No. : 044 - 2594 1524.
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(l) Address for Correspondence

Company's Registered Office	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 Nos. 044 - 2846 0390 (5 Lines) / 4002 0700 Fax No.: 044 - 2846 0129 Email : investor@cameoindia.com

(m) Credit Rating and revision thereto

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

Sl. No.	Facilities	Amount (₹ in Crores)	Previous Rating	Present Revised Rating	Remarks
(i)	Long Term rating for ODCC / Term Loan	40.00	[ICRA] A -(stable) [pronounced as ICRA A minus]	[ICRA] A (stable) [pronounced as ICRA A]	Upgraded
(ii)	Short Term rating for Bank Guarantee	15.00	[ICRA] A2+ [pronounced as ICRA A two plus]	[ICRA] A1 [pronounced as ICRA A one]	Upgraded

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 behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy.

The Vigil Mechanism / Whistle Blower Policy broadly covers a detailed process for reporting, handling and investigation of fraudulent activities and providing necessary protection to the employees who report such fraudulent activities/unethical behavior. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee directly. The Company affirms that no personnel have been denied access to the Audit committee.

Further details are available in the Vigil Mechanism / Whistle Blower Policy of the Company posted on the Company's Website www.kotharipetrochemicals.com

Compliances

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

Compliance with Mandatory / Non-mandatory Requirements

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

Particulars of payment of fees to Statutory Auditor

The Members at the 28th Annual General Meeting held on 07th September 2017 have appointed M/s. P. Chandrasekar LLP, Chartered Accountants as the Statutory Auditor of the Company and to hold office till the conclusion of the 33rd Annual General Meeting (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. M/s. P. Chandrasekar LLP, Chartered Accountants would be re-appointed for another period of 5 consecutive years as the Statutory Auditor of the Company from the conclusion of 33rd AGM till the conclusion of 38th AGM, if approved by the Shareholders at this ensuing AGM.

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 2021 -22 to M/s. P. Chandrasekar LLP, Chartered Accountants, is given below:

SI No.	Description of the Service	Fees (Amount in Rs.)
(i)	Statutory Audit	3,00,000
(ii)	Limited Review Report	1,50,000
(iii)	Other Certification	60,000
	Total	5,10,000

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 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authority.

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

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

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

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

The standards for business conduct provide that the Directors and the Senior Management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website www.kotharipetrochemicals.com. As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2021 - 2022.

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

Nina B.Kothari
Chairperson

Place : Chennai
Date : May 25, 2022

**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, 2022.

for **Kothari Petrochemicals Limited**

Place : Chennai
Date : May 25, 2022

Arjun B.Kothari
Managing Director

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

We, Arjun B. Kothari, Managing Director and S.Sivamahesh, Chief Financial Officer of the Company hereby confirm and certify that:

- a. We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2022 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 25, 2022

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, 2022.

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**

V.Vasumathy

Practising Company Secretary

FCS No. 5424 / COP No. 9451

UDIN : F005424D000282712

Place : Chennai

Date : May 06, 2022

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, 2022, 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 w.e.f 01.04.2020)
3.	Mr. Muthukumaran Rajavel	08145611	01.08.2018 (Re-appointment w.e.f 01.08.2021)
4.	Mr. Sitharaman Sundarraman	01032768	22.11.2017
5.	Mr. Velamuri Venkata Suryarau	00010274	20.05.2019
6.	Mr. Brij Mohan Bansal	00261063	10.08.2020
7.	Mr. Gautam Roy	06659522	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**

V. Vasumathy

Practising Company Secretary

FCS No. 5424 / COP No. 9451

UDIN : F005424D000282789

Place : Chennai

Date : May 06, 2022

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2022

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

Opinion

- We have audited the accompanying Ind AS financial statements of Kothari Petrochemicals Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit after tax and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

S. No.	Key Audit Matter	Principal Audit procedures
1	<p>Quantity of raw materials</p> <p>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.</p>	<p>Our audit procedures included:</p> <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	<p>Capital Work in Progress</p> <p>The Company undertaking a De-Bottle Necking project for capacity augmentation. As of 31st March 2022, the Company has spent Rs. 1,828.51 lakhs towards the project and the same is outstanding as CWIP. 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.</p>	<p>Our audit procedures included:</p> <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. Verified that the assets awaiting capitalization meet the recognition criteria set out in Ind AS 16.

Other Information

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

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

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

We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure B**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
 In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
15. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 not declared or paid any dividend during the year ending 31st March 2022. Hence reporting under Rule 11(f) of 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: 22244016ALDKSH9335

Place: Chennai
 Date : 25th May 2022

Annexure “A” to the Independent Auditor’s Report for the year ended 31st March 2022

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, 2022.

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, 2022 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, 2022, 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 : 25th May 2022

M. No.: 244016

UDIN: 22244016ALDKSH9335

Annexure - B to the Independent Auditors' Report for the year ended 31st March 2022

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, 2022.

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, 2022 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 2022 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 2022.
- (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 purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report under clause (ix) (e) of the Order is not applicable.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report under clause (ix) (f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) during the year. Accordingly, reporting under clause (x) (a) of the Order is not applicable.
- (b) On an overall examination of the financial statements, we report that the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, reporting under clause (x) (b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) There were no whistle blower complaints received by the Company during the year.

- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the 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 specified 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

Place: Chennai
Date : 25th May 2022

M. No.: 244016
UDIN: 22244016AIDKSH9335

BALANCE SHEET AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars		Note No.	As at 31.03.2022	As at 31.03.2021
I	ASSETS			
	Non-Current Assets			
	Property, Plant and Equipment	2(a)	7,522.87	7,752.41
	Capital work-in-progress	2(b)	1,828.51	252.82
	Investment Property	3	1,584.32	1,608.31
	Other Intangible assets other than goodwill	4(a)	81.36	115.14
	Right-of-use assets	4(b)	82.94	138.60
	Financial assets			
	(i) Financial assets other than loans	5	306.16	257.04
	Other non-current assets	12	246.17	6.88
			11,652.33	10,131.20
	Current Assets			
	Inventories	6	2,583.78	1,765.42
	Financial assets			
	(i) Investments	7	3,334.95	1,530.32
	(ii) Trade receivables	8	2,898.19	1,880.88
	(iii) Cash and cash equivalents	9(a)	686.88	1,277.69
	(iv) Bank balance other than (iii) above	9(b)	228.89	200.85
	(v) Loans	10	9.79	11.78
	(vi) Other financial assets	5	4.57	35.93
	Current tax assets (net)	11(a)	22.34	1.39
	Other current assets	12	880.36	231.90
			10,649.75	6,936.16
	Total Assets		22,302.08	17,067.36
II	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	13(a)	5,918.68	5,918.68
	Other equity	13(b)	9,663.90	6,393.95
	Total Equity		15,582.58	12,312.63
	Liabilities			
	Non-Current Liabilities			
	Financial liabilities			
	Borrowings	14	825.93	120.56
	Lease Liability	4(b)	41.90	105.66
	Deferred tax liabilities(Net)	15	984.90	933.02
			1,852.73	1,159.24
	Current Liabilities			
	Financial liabilities			
	Borrowings	14	272.75	103.56
	Lease Liability	4(b)	63.76	57.97
	Trade payables	16		
	dues of micro enterprises and small enterprises		143.64	66.35
	dues of creditors other than micro enterprises and small enterprises		3,140.94	2,751.19
	Other financial liabilities	17	946.04	311.07
	Other current liabilities	18	81.96	102.78
	Provisions	19	188.56	202.57
	Current tax liabilities(Net)	11(b)	29.12	-
	Total Current Liabilities		4,866.77	3,595.49
	Total Equity and Liabilities		22,302.08	17,067.36

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

As per our report of even date attached

For P. Chandrasekar LLP
Chartered Accountants
FRN : 000580S/S200066
Arjun B. Kothari
 Managing Director
 DIN : 07117816

S. Sundarraman
 Director
 DIN : 01032768

K. Priya
 Company Secretary

Sivamahesh. S
 Chief Financial Officer

S. Raghavendhar
 Partner
 Membership No.244016

 Place : Chennai
 Date : May 25, 2022

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2022

(₹ in Lakhs)

	Particulars	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
I	Revenue from Operations	20	38,152.54	22,683.71
II	Other Income	21	454.30	387.91
III	Total Income (I+II)		38,606.84	23,071.62
IV	Expenses			
	Cost of materials consumed	22	26,188.89	12,942.91
	Purchases of stock in trade		153.98	-
	Changes in inventories of finished goods	23	(1,661.98)	(85.66)
	Employee benefit expenses	24	1,818.75	1,695.73
	Finance cost	25	61.62	88.91
	Depreciation & amortisation expense	26	553.68	550.67
	Utilities and Stores	27a	2,695.49	1,890.06
	Other expenses	27b	3,978.86	2,841.35
	Total Expenses		33,789.29	19,923.97
V	Profit before exceptional items and tax (III-IV)		4,817.55	3,147.65
VI	Exceptional items (Loss on scrapping of old assets)	41	210.55	-
VII	Profit Before Tax		4,607.00	3,147.65
VIII	Tax Expense	28		
	a) Current tax		1,259.00	848.75
	b) Deferred tax		59.49	44.54
	Total Tax Expenses		1318.49	893.29
IX	Profit for the period from continuing operations (VII-VIII)		3,288.51	2,254.36
X	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	(i) Re-measurement gains/(losses) on defined benefit plans		(26.18)	51.89
	(ii) Income tax effect on above		7.62	(15.11)
	Total Other Comprehensive Income		(18.56)	36.78
XI	Total Comprehensive Income for the year (IX+X)		3,269.95	2,291.14
	Earnings per equity share	29		
	Basic (₹)		5.59	3.83
	Diluted (₹)		5.59	3.83
	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

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

Arjun B. Kothari
Managing Director
DIN : 07117816

S. Sundarraman
Director
DIN : 01032768

K. Priya
Company Secretary

Sivamahesh. S
Chief Financial Officer

S. Raghavendhar
Partner
Membership No.244016

Place : Chennai
Date : May 25, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

A. Equity Share Capital		(₹ in Lakhs)			
		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 1 st April 2021	5,918.68	-	-	Balance as at 31 st March 2022
	Balance as at 1 st April 2020	5,918.68	-	-	Balance as at 31 st March 2021
B. Other Equity					
Particulars	Reserves and Surplus		Items of Other Comprehensive Income		Total
	Capital reserves	Retained earnings			
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
Balance as at 1 st April 2020	0.40	4,109.72	(7.31)		4,102.81
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1 st April 2020	-	-	-	-	-
Total Comprehensive Income/(Losses) for the year*	-	2,291.14	-	-	2,291.14
Dividends paid	-	-	-	-	-
Balance as at 31 st March 2021	0.40	6,400.86	(7.31)		6,393.95

* Re-measurement of defined benefit plan for the year Loss ₹ 18.56 lakhs (Previous year gain of ₹ 36.78 lakhs) has been recognized as part of the retained earnings for the year ended 31st March 2022 and 31st March 2021 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

Arjun B. Kothari
 Managing Director
 DIN : 07117816

K. Priya
 Company Secretary
 Place : Chennai
 Date : May 25, 2022

As per our report of even date attached

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

S. Raghavendhar
 Partner
 Membership No.244016

S. Sundarraman
 Director
 DIN : 01032768
Sivamahesh. S
 Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	4,607.00	3,147.65
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	553.68	550.67
Operating lease rentals from Investment Property	(211.46)	(185.25)
Interest income	(21.16)	(18.98)
Gain on Investments (net)	(104.39)	(30.40)
Bad Debts written off	62.30	-
(Gain)/loss on sale of Property, Plant and Equipment	209.95	1.88
Unrealised foreign exchange differences(Gain)/loss (net)	(15.56)	2.83
Finance cost / Financial guarantee expenses	46.18	34.74
Interest expense on Lease liability	15.44	20.72
Operating profit before working capital changes	5,141.98	3,523.86
Adjustments for changes in working capital:		
(Increase)/decrease in operating assets-		
Inventories	(778.76)	(663.35)
Trade receivable	(1,064.05)	210.82
Financial assets-loans	1.99	(1.15)
Financial assets-others	(16.46)	68.67
Other Assets	(648.46)	189.43
Increase/(decrease) in operating liabilities-		
Trade payables	467.05	378.98
Financial liabilities-others	45.89	(5.77)
Other liabilities	(61.02)	136.97
	3,088.16	3,838.46
Less:Taxes paid	1,250.83	809.89
Net cash from / (used in) operating activities	1,837.33	3,028.57
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of assets (including capital work-in-progress)	(2,046.56)	(510.16)
Net Movement in Capital - Creditors and Advances	347.78	56.39
Redemption / (Purchase) of investments (Net)	(1,700.24)	(1,099.92)
Proceeds on sale of Property, Plant and Equipment	10.61	6.20
Margin money with bank	(43.86)	(5.48)
Operating lease rentals from Investment Property	211.46	185.25
Interest received	19.88	15.72
Net cash from / (used in) investing activities	(3,200.93)	(1,352.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	978.12	250.00
Repayment of long term borrowings	(103.56)	(553.27)
Payment of Lease Liability	(73.41)	(64.24)
Finance cost / Financial guarantee expenses	(44.18)	(38.53)
Earmarked balances with bank-Dividend warrant account	15.82	5.35
Net cash from / (used in) financing activities	772.79	(400.69)
D. NET CASH FLOWS DURING THE YEAR(A+B+C)	(590.81)	1,275.88
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,277.69	1.81
Cash & Bank balances [Note 9(a)]	1,277.69	34.96
Cash Credit balance	-	(33.15)
F. CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR(D+E)	686.88	1,277.69
Cash & Bank balances	686.88	1,277.69
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
Arjun B. Kothari
 Managing Director
 DIN : 07117816

K. Priya
 Company Secretary
 Place : Chennai
 Date : May 25, 2022

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

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 1
CORPORATE OVERVIEW

Kothari Petrochemicals Limited (referred to as “KPL” or the “Company”) is the Manufacturers of Polyiso Butylene. The registered office of the Company is situated at “Kothari Buildings”, No:115, Mahatma Gandhi Salai, Nungambakkam, Chennai-600034.

AUTHORIZATION OF FINANCIAL STATEMENTS

The Financial Statements for the year ended 31st March 2022 have been approved for issue by the Board of Directors of the Company on 25th May 2022 and are subject to adoption by the shareholders in the ensuing Annual General Meeting.

SIGNIFICANT ACCOUNTING POLICIES
1. Statement of Compliance :

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

2. Basis of preparation and presentation :

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The financial statements are presented in Indian Rupees, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the ‘functional currency’).

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

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

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

The principal accounting policies are set out below:

3. Revenue Recognition :

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

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

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

Dividend, interest and other income

- Dividend income from investments is recognised when the right to receive payment has been established.
- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable in line with the effective interest rate method.
- 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

- Export benefits are accounted in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

4. Leases :

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

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

Lease rentals having lease term within 12 months are charged or recognized in the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase. ROU assets are depreciated over the least of initial lease term, extended lease term (where it is reasonably certain that the option will be exercised) and economic useful life of the asset.

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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.

(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 lesser.

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

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

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

The carrying values of assets / cash generating units at each balancesheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value-in-use. Value-in-use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

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

10. Investment Property :

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

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 or the license period whichever is lesser

12. Inventories :

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

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

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

13. Provisions, contingent liabilities and contingent assets :

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

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date and are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

14. Financial instruments :

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

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

15. Financial assets:
(a) Initial Recognition

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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

(b) Subsequent measurement of Financial Assets
(i) Financial Assets at Amortized Cost:

Debt instruments (including Trade receivables, Loans and Other Financial Assets) that meet the following conditions are subsequently measured at amortised cost using the effective interest rate method (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.

(ii) Financial Assets classified FVOCI:

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial Assets classified as FVTPL:

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(c) 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.

(d) 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.

(e) 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.

(f) 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 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.

Derecognition of financial liabilities

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

17. Cash flow statement

Cash flows are reported using the indirect method, 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

NOTES FORMING PART OF FINANCIAL STATEMENTS

or future cash receipts or payments. The Company considers all highly 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 entities operate (i.e. the "functional currency"). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

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

19. Key estimates and assumptions

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

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

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

Fair value measurement and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the

Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

20. Operating Cycle

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

21. Recent accounting pronouncements

On March 23, 2022, Ministry of Corporate Affairs "MCA" amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, on the below

- (i) **Ind AS 16 - Property Plant and equipment:** on directly attributable costs, the amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2022. The amendment is essentially a clarification, and the Company does not expect the amendment to have any significant impact in its financial statements.

- (ii) **Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:** On Onerous contract, The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'.

Costs that relate directly to a contract consist of both-

- (a) the incremental costs of fulfilling that contract - for example, direct labour and materials; and
- (b) an allocation of other costs that relate directly to fulfilling contracts - for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract among others.

The effective date for adoption of this amendment is annual periods beginning on or after 1st April 2022. The amendment is essentially a clarification, and the Company does not expect the amendment 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 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	6,692.65	86.04	194.23	110.02	199.23	9,735.28
Accumulated depreciation/amortisation								
As at 1 st April 2021	-	574.91	1,031.18	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

(₹ in Lakhs)

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Capital work-in-progress	1,828.51	252.82
	1,828.51	252.82

(₹ in Lakhs)

As at beginning	252.82	16.14
Additions	2,046.56	510.16
Capitalised during the year	(470.87)	(273.48)
As at the closing	1,828.51	252.82

Note : During the year, mainly capital expenditure incurred for the capacity enhancement project is lying in capital work in progress pending capitalisation. This will be capitalised in the year 2022-23 in accordance with Ind AS 16.

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

CWIP ageing schedule as on 31st March 2021

(₹ 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	252.82	-	-	-	252.82

Note - 3: Investment Property (IP)

(₹ in Lakhs)

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

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

Information regarding income and expenditure of investment property

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Operating lease rentals from Investing Property	208.32	185.25
Direct expenses:		
contribute to the rental income (including repairs and maintenance)	13.24	13.03
Profit before depreciation and indirect expenses	195.09	172.22
Less: Depreciation	22.09	25.90
Profit before indirect expenses	173.00	146.32

Fair value of Investment Property

The fair value of the Company's total investment property as at 31st March 2022 is ₹ 2665.87 lakhs (₹ 2504.34 lakhs as at 31st March 2021). 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.

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

(₹ 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

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

Note - 4(b):

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

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

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 recognised 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.”	

Lease Liability :	
As at 1 st April 2020	207.15
Additions	-
Disposals	-
Interest Expense accrued	20.72
Payment of Lease liabilities	64.24
As at 31st March 2021	163.63
Non - current	105.66
Current	57.97
Note :	
“Effective 1 st April 2019, Company has recognised right of use of assets (an amount equal to the lease liability) of ₹ 249.92 lakhs. During the year 2020-21, operating lease expenses has changed from rent (included in Other expenses) to depreciation cost (₹ 55.66 lakhs) for the right of use of assets and finance cost of (₹ 20.72 lakhs) for interest accrued on lease liability.”	

Note - 5: Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	Non-current	Current	Non-current	Current
Security deposits	306.16	-	235.51	-
Margin Money deposits with more than 12 months maturity	-	-	21.53	-
Advances recoverable	-	-	-	32.66
Interest receivable	-	4.57	-	3.27
	306.16	4.57	257.04	35.93

(Unsecured and considered good unless otherwise stated)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note - 6: Inventories

(₹ in Lakhs)

Particulars	As at	As at
	31 st March 2022	31 st March 2021
Raw materials	35.33	279.68
Raw material in transit	-	685.70
Finished goods	1,784.55	92.70
Finished goods in transit	352.50	382.37
Stores and spares	405.17	321.46
Packing material	6.23	3.51
	2,583.78	1,765.42

Note - 7: Investments - Current

(₹ in Lakhs)

Particulars	As at	As at
	31 st March 2022	31 st March 2021
Investments carried at Fair value through Profit & Loss :-		
Equity Shares(Quoted):		
India Grid Trust	31.18	-
PowerGrid Infrastructure Investment Trust	21.48	-
India Grid Trust - PMS	74.64	-
PowerGrid Infrastructure Investment Trust - PMS	76.99	-
Total	204.29	-
Mutual Funds(Un Quoted):		
IDFC Ultra Short Term Fund - Direct - Growth	214.18	206.58
ICICI Pru Savings Fund - Direct - Growth	213.91	205.10
IDFC Bond Fund - Short Term Plan - Direct - Growth	105.09	100.51
IDFC Corporate Bond Fund - Direct - Growth	105.31	100.24
ICICI Pru Corporate Bond Fund - Direct - Growth	52.76	50.44
ICICI Pru Short Term Fund - Direct - Growth	52.96	50.44
ABSL Banking & PSU Debt fund - Direct - Growth	210.67	101.63
ABSL Short Term Fund - Direct - Growth	211.95	102.09
SBI Corporate Bond Fund - Direct - Growth	52.35	50.05
SBI Short Term Debt Fund - Direct - Growth	52.36	50.05
UTI Short Term Income Fund - Direct - Growth	102.26	-
Nippon India Money Market Fund - Direct - Growth	400.46	-
ICICI Pru Liquid Fund - Direct - Growth	170.51	-
Tata Banking & PSU Debt Fund - Direct - Growth	102.20	-
IDFC Cash Fund - Direct - Growth	3.75	-
ICICI Pru PSU Bond Plus SDL 40:60 Index Fund - Sep 2027-DG	101.74	-
ABSL NIFTY SDL Plus PSU Bond Sep 2026 60:40 Index	101.76	-
ABSL Corporate Bond Fund - Direct - Growth	102.97	-
ABSL CRISIL AAA June 2023 Index Fund - Direct - Gr	100.40	-
ABSL Money Manager Fund - Regular - Growth	100.05	-
ABSL Money Manager Fund - Direct - Growth	200.06	-
SBI Liquid Fund - Direct - Growth	-	254.44
ICICI Pru Liquid Fund - Direct - Growth	-	203.55
IDFC Cash Fund - Direct - Growth	-	51.90
ABSL Liquid Fund - Direct - Growth	4.81	3.30
HDFC Overnight Fund- PMS	1.80	-
Total	2,764.30	1,530.32

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Corporate Bonds (Quoted):		
India Shelter Finance Corp.Ltd	157.59	-
Piramal Capital & Housing Finance Ltd	105.21	-
Shriram Transport Finance Co.Ltd	103.57	-
Total	366.37	-
	3,334.95	1,530.32
Aggregate market value of Quoted Investments	570.65	-
Aggregate market value of Un Quoted Investments	2,764.30	1,530.32

Note - 8: Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
(a) Trade Receivable - Current	2,898.19	1,817.91
	2,898.19	1,817.91
(Unsecured and considered good unless otherwise stated)		
(b) Significant Increase in credit risk	-	62.98
(c) Credit Impaired	-	-
Less: Provision	-	-

Trade Receivable Ageing is as follows:
Ageing for Trade Receivables as at 31st March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(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

Ageing for Trade Receivables as at 31st March 2021

(₹ 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	1,750.48	67.43	-	-	-	-	1,817.91
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	62.98	-	-	62.98
(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	1,750.48	67.43	-	62.98	-	-	1880.89

Note - 9(a): Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Balances with banks in current account	283.67	125.93
Deposits with banks less than 3 months Maturity	400.10	1,150.05
Cash on hand	3.11	1.71
	686.88	1,277.69

Note - 9(b): Other bank balances

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Earmarked balances with bank-Dividend warrant account	46.26	62.08
Margin money with bank	182.64	138.77
	228.89	200.85

Note - 10: Loans

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Loans to employees	Current	Current
	9.79	11.78
	9.79	11.78

(Unsecured and considered good unless otherwise stated)

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

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Advance payment of tax and tax deducted at source (net of provision)	Current	Current
	22.34	1.39
	22.34	1.39

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 12: Other Assets

(₹ in Lakhs)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	Non-current	Current	Non-current	Current
a) Capital Advances:				
Capital advances	246.17	-	6.88	-
b) Other than Capital Advances:				
Prepaid Expenses	-	121.60	-	125.46
Balance with statutory/government authorities	-	669.76	-	98.26
Less: Provision for Rebate claim	-	(1.67)	-	(8.46)
	-	668.09	-	89.80
Advances to supplier of inputs	-	90.67	-	16.64
	246.17	880.36	6.88	231.90
(Unsecured and considered good unless otherwise stated)				

Note - 13(a): Share Capital

(₹ in Lakhs)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	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 2022		As at 31 st March 2021	
	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%

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Equity Shares	As at 31 st March 2022		As at 31 st March 2021	
	Shareholder Name	Nos. of Shares	% holdings	Nos. of Shares
(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 2022:

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

(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.

(j) Disclosure of Shareholding of Promoters:

(₹ in Lakhs)

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

Equity Shares held at the end of the year	As at 31 st March 2021		
	Promoter Name	No. of shares	% of the total shares
(i) BHK Trading LLP	3,55,03,812	60.33%	-
(ii) Nina B Kothari	62,57,500	10.63%	-
(iii) Arjun B Kothari	9,593	0.02%	-
(iv) Kothari Sugars & Chemicals Ltd	1,000	0.00%	-
(v) Nayanthara B Kothari	100	0.00%	-
(vi) Anandita Kothari	-	-	-

Note - 13(b): Other Equity

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
A) Capital Reserve	0.40	0.40
B) Retained earnings:		
Balance at the beginning of the year	6,393.55	4,102.41
Profit for the year	3,269.95	2,291.14
Remeasurement of post employment benefit obligation, net of tax	-	-
Balance at the end of the year	9,663.50	6,393.55
Total (A+B)	9,663.90	6,393.95

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 14: Borrowings

(₹ in Lakhs)

Particulars	As at 31 st March 2022		As at 31 st March 2021	
	Non-current	Current	Non-current	Current
a) Secured				
Term loan from Indian Bank*	1,098.68	272.75	224.12	103.56
Less: Current maturities of long term borrowings moved to current borrowings	272.75	-	103.56	-
	825.93	272.75	120.56	103.56

* Includes the following borrowing facilities availed by the Company

1. Sanctioned amount ₹ 250.00 lakhs disbursed during July 2020 for Covid emergency loan 80% secured by stocks and book debts and 20% clean. Rate of interest linked to one year MCLR of Bank, with annual reset interest ranging at 7.50%. Principal repayable in 30 equal monthly instalments starting February 2021.
2. Sanctioned ₹ 2707.00 lakhs during February 2022 as Capacity Enhancement project term loan. Rate of interest rate is ranging at 7% with annual reset. Total availed and outstanding as on 31st March 2022 was ₹ 978.12 lakhs. The term loan is secured with exclusive charge on project assets created out of this loan. Monthly instalment repayment of ₹ 56.40 lakhs starting January 2023.

Note - 15: Deferred Tax Liability (Net)

(₹ in Lakhs)

Particulars	01 st April 2020	Recognised in Other Comprehensive Income	Recognised in Statement of Profit & Loss	31 st March 2021
Deferred tax (liability)/ asset arising on account of:				
Property, plant and equipment	(893.35)	-	(69.59)	(962.92)
Provision for employee benefits	11.49	-	33.21	44.70
Defined benefit obligation	0.96	(15.11)	-	(14.14)
MTM gains/losses on derivatives	4.42	-	(4.37)	0.05
ROU Assets and Lease Liabilities	2.27	-	0.85	3.12
Fair value (Gain)/loss on Investments	-	-	(7.20)	(7.20)
Other items	0.84	-	2.53	3.37
Deferred Tax Asset / (Liability)	(873.37)	(15.11)	(44.54)	(933.02)

Particulars	01 st April 2021	Recognised in Other Comprehensive Income	Recognised in Statement of Profit & Loss	31 st March 2022
Deferred tax (liability)/ asset 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)

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

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Total outstanding dues of micro, small and medium enterprises	143.64	66.35
Total outstanding dues of creditors other than micro, small and medium enterprises	3,140.94	2,751.19
Total	3,284.58	2,817.54

Trade payables due for payment**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

Ageing for Trade payables outstanding as on 31st March 2021

(₹ 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	61.52	4.81	-	-	-	66.35
(ii) Others	124.28	1,877.71	715.10	2.80	9.49	-	2,729.38
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	1.05	12.62	8.13	-	21.80
Total	124.31	1,939.23	720.96	15.42	17.62	0.00	2,817.54

Note - 17: Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Interest accrued but not due	3.42	1.42
Unclaimed dividend	46.26	62.08
Trade deposits	43.52	57.50
Deferred revenue arising from interest free deposits	12.37	15.51
Non statutory dues	23.91	29.45
Derivative liability	2.50	0.17
Creditors for Capital Goods *	644.43	57.35
Managerial commission payable	169.64	87.59
	946.04	311.07

* - Not due as at 31st March 2022.

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 18: Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Customer advances	33.56	67.01
Statutory dues	48.40	35.77
	81.96	102.78

Note - 19: Provisions

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
	Current	Current
Provision for employee benefits		
Gratuity-refer note (a) below	63.95	93.62
Bonus payable	32.10	39.90
Compensated absences	33.44	19.99
Provision related to other expenses	59.07	49.06
	188.56	202.57

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

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
	Current	Current
Provsion for Income Tax (Net of Advance tax & Tax deducted at source)	29.12	-

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	2021-22	2020-21
Present value of obligations at the beginning of the year	835.36	577.54
Equitable interest of Kothari Sugars & Chemicals Limited	(575.73)	
Current service cost	25.65	429.79
Interest Cost	17.27	41.72
Re-measurement (gain) / loss:		
Actuarial (gain) / loss arising from change in financial assumption	(8.73)	-
Actuarial (gain) / loss arising from experience adjustment	32.26	(162.97)
Benefits paid out of common policy	(20.71)	(50.73)
Present value of obligations at the end of the year	305.36	835.36
Changes in the fair value of planned assets		
Fair value of plan assets at the beginning of the year	551.54	471.40
Equitable interest of Kothari Sugars & Chemicals Limited	(291.91)	-
Interest income	4.16	33.01
Return on plan assets	(2.65)	(5.66)
Contributions by the employer	1.00	103.53
Benefits paid out of common policy	(20.71)	(50.73)
Fair value of plan assets at the end of the year	241.42	551.54
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	305.36	835.36
Less: Fair value of plan assets at end of the year	241.42	551.54
Share of obligation pertaining to Group Company under common Gratuity Trust	-	190.19
Funded status of the plans - Liability recognized in the balance sheet	63.95	93.62
Components of defined benefit cost recognized in profit or loss		
Current service cost	25.65	429.79
Net interest expenses	13.12	41.72
Net cost in Profit or Loss	38.77	471.51
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	8.73	-
Actuarial gain/ (loss) arising from experience adjustment	(32.26)	162.97
Return on plan assets	(2.65)	(5.66)
Net gain/ (loss)	(26.18)	157.31
Less: Allocation to Group Company under common gratuity trust	-	105.42
Net Cost in other Comprehensive Income	-	51.89

Actuarial Assumptions

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

NOTES FORMING PART OF FINANCIAL STATEMENTS
Summary of Financial & Demographic Assumptions:

Particulars	Valuation Date	
	31-03-2022	31-03-2021
Discount Rate	7.29%	6.93%
Salary Escalation - First 5 Years	5.50%	5.50%
Salary Escalation - After 5 Years	5.50%	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	21.49	NA

Experience Adjustments on Present Value of DBO and Plan Assets

Particulars	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
(Gain) / Loss on Plan Liabilities	3,208,557	0
% of Opening Plan Liabilities	12.36%	NA
Gain / (Loss) on Plan Assets	265,065	0
% of Opening Plan Assets	1.02%	NA

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	-	30,536,419	0.00%
Salary Increase Rate - Plus 100 Basis Points	6.50%	33,120,508	8.46%
Salary Decrease Rate - Minus 100 Basis Points	4.50%	28,311,454	-7.29%
Withdrawal Rates - Plus 100 Basis Points	3.00%	30,887,176	1.15%
Withdrawal Rates - Minus 100 Basis Points	1.00%	30,132,973	-1.32%
Discount Rates - Plus 100 Basis Points	8.29%	28,364,804	-7.11%
Discount Rates - Minus 100 Basis Points	6.29%	33,099,868	8.39%

Note - 20: Revenue from operations

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
(a) Sale of products	37,973.72	22,583.35
(b) Other operating revenues	178.82	100.36
Revenue from operations	38,152.54	22,683.71

NOTES FORMING PART OF FINANCIAL STATEMENTS**Note - 20(a): Other Operating Revenues**

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Scrap sales	44.25	14.24
Export incentives	134.57	86.12
	178.82	100.36

Note - 21: Other Income

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Operating lease rentals from Investment Property	211.46	185.25
Interest income earned on financial assets	21.16	18.98
Net gain on foreign currency transaction and translation	95.72	80.68
Liabilities / provisions no longer required written back	6.94	59.54
Profits on sale of Property, Plant & Equipment	0.60	-
Gain/(Loss) on sale of investments (net)	20.53	5.71
Gain/(Loss) on sale /Fair value of investments (net)*	83.86	24.70
Insurance claim	12.84	6.92
Others	1.18	6.14
	454.30	387.91

* The entire amount represents net gain on instrument classified FVTPL.

Note - 22: Cost of Raw Materials and Components Consumed

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Opening stock of raw material and components	279.68	261.11
Add: Purchases during the year	25,944.54	12,961.48
Less: Closing stock of raw materials and components	35.33	279.68
Cost of Raw Materials and Components Consumed	26,188.89	12,942.91

Note - 23: Changes in Inventories of Finished goods

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Opening stock	475.07	389.41
Closing stock	2,137.05	475.07
Net change	(1,661.98)	(85.66)

Note - 24: Employee Benefit Expenses

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Salaries and wages	1,434.39	1,282.44
Contribution to provident and other funds	133.78	232.43
Staff welfare expenses	250.57	180.86
	1,818.75	1,695.73

- (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.

NOTES FORMING PART OF FINANCIAL STATEMENTS
Note - 25: Finance Cost

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Interest expenses	15.34	34.74
Interest expenses accrued on lease liability- Refer Note 4(b)	15.44	20.72
Other borrowing cost (Bank charges)	30.84	33.45
	61.62	88.91

Note - 26: Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Depreciation on Property, Plant and Equipment	440.25	437.95
Depreciation on Investment Property	23.99	25.90
Amortisation on Intangible assets	33.78	31.16
Depreciation on Right of use assets - Refer Note 4(b)	55.66	55.66
	553.68	550.67

Note - 27a: Utilities and Stores

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Power & fuel	1,834.73	1,329.54
Stores consumed	860.76	560.52
	2,695.49	1,890.06

Note - 27 b: Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Freight and carriage outwards	308.76	430.93
Packing materials	1,214.13	829.81
Repairs & maintenance		
Building	144.50	27.27
Plant & equipment	808.49	692.84
Other assets	129.68	82.88
Operating lease rentals paid (Refer Note below)	29.80	36.09
Travelling	260.26	12.70
Insurance	52.58	40.18
Rates & Taxes	64.67	53.09
Auditor's Remuneration:		
Statutory audit fees	3.00	3.00
Limited review fees	1.50	1.50
Tax audit	0.50	0.50
Other services	0.10	0.05
Research and development expenditure (Refer Note 30)	84.40	71.18
Corporate Social Responsibility expenditure (Refer Note 31)	47.69	36.52
Legal & professional charges	413.34	282.74
Sitting fees to Directors	9.80	11.50
Printing and stationery	14.85	8.93
Postage and telephone expenses	10.13	8.50
Bad debts written off	62.30	-
Other expenses	318.37	211.14
	3,978.86	2,841.35

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

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

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
(a) Managing Director and whole time director remuneration		
Short term benefits	151.72	123.51
Commission payable 2021 - 22	169.64	87.59
	321.36	211.10
(b) Managing Director Commission paid	87.59	66.10
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	9.80	11.50
	9.80	11.50

Note - 28: Tax Expense

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
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	4,607.00	3,147.65
Adjustments	-	-
Profit before tax	4,607.00	3,147.65
(i) Income Tax calculated at Normal 29.12 % (2020-21:29.12%) Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	1,341.56	916.59
(ii) Allowances:		
(a) Effect of expenses/incomes allowed in tax computation	(67.53)	(82.72)
(b) Others	(94.75)	(17.60)
(iii) Disallowances:		
(a) Effect of expenses/incomes disallowed in tax computation	100.67	32.48
	1,279.94	848.75
Tax expenses comprise of:		
(i) Current tax	1,279.94	848.75
(ii) Adjustments in respect of current income tax of previous years	(20.95)	-
Net Current Income Tax	1,259.00	848.75

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

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
Nominal value of equity share (₹)	10.00	10.00
Profit attributable to equity shareholders (A)	3,288.51	2,254.36
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) (₹)	5.59	3.83
Dilutive effect on profit (C)	-	-
Profit attributable to equity shareholders for computing diluted EPS (D)=(A+C)	3,288.51	2,254.36
Dilutive effect on weighted average number of equity shares outstanding during the year (E)	-	-
Weighted average number of equity shares for computing diluted EPS (F)=(B+E)	5,88,46,400	5,88,46,400
Diluted earning per equity share (D/F) (₹)	5.59	3.83

Note - 30: Details of Research and Development Expenditure

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
i) Capital expenditure	3.97	42.90
ii) Revenue expenditure		
a) Raw material and components consumed	13.15	8.45
b) Salaries and wages	40.02	37.69
c) Consultancy charges	22.96	20.88
d) Miscellaneous expenses	8.27	4.17
	84.40	71.18
Total (i) + (ii)	88.38	114.07

Note - 31: Expenditure on Corporate Social Responsibility

(₹ in Lakhs)

Particulars	Year ended 31 st March 2022	Year ended 31 st March 2021
(a) Amount required to be spent by the company during the year	47.69	36.52
(b) Amount of expenditure incurred,		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	47.69	36.52
(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 health care, creating health infrastructure including COVID Care, establishment of medical oxygen generation & storage plants etc.	Towards of construction of additional class rooms / stair case for school located at kattur, Lalgudi taluk, Trichy.
(g) Details of related party transactions		
Contribution to Shyam Kothari Foundation.	35.19	-
Contribution to HCK Education and Development Trust	-	36.52
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation.	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS**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.

The following table summaries the capital of the Company. (₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
Equity	15,582.58	12,312.63
Debt	1,098.68	224.12
Cash and cash equivalents	(686.88)	(1,277.69)
Net Debt	411.79	(1,053.57)
Total capital (equity+net debt)	15,994.38	11,259.05
Net debt to capital ratio	0.03	(0.09)

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 2022	As at 31 st March 2021	Fair Value Hierarchy
Financial Assets :			
Investments in Mutual funds & Corporate Bonds:	3,130.66	1,530.32	Level 2
Investments in Equity Shares:	204.29	-	Level 1
Financial Liabilities:			
Derivative Liability	2.50	0.17	Level 1

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

Fair value of investments in Corporate bonds is based on valuation declared by ICRA at the reporting date.

There are no reclassification between different levels during the year.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Holding Entity
 Under section 2(76) of the Companies Act, 2013, & Ind AS 24
 Promoter Entity
 (i) M/s. Kothari Sugars and Chemicals Limited
 Under section 2(76) (iv)
 (ii) M/s. Century Foods Private Limited
 Under section 2(76) (v)
 (iii) M/s. Kothari Safe Deposit Limited
 Under section 2(76) (iv)
 (iv) M/s. Parasakthi Trading Company Private Limited
 Company in Joint Control
 (v) M/s. Kothari Biotech Private Limited
 Chairperson & MD are }
 trustees of the foundation } (vi) M/s. HCK Educational and Development Trust
 (vii) M/s. Shyam Kothari Foundation

Key Management Personnel (KMP)

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

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

(₹ in Lakhs)

Nature of Transactions	Holding Entity		Key Management Personnel (KMP)				Non Independent Non Executive Director (KMP)		Non Executive Independent Directors (KMP)		
	2021-22	2020-21	Mr. Arjun B. Kothari, Managing Director	(WTD / CFO / CS) - KMP	2021-22	2020-21	Mrs. Nina B. Kothari, Chairperson	2021-22	2020-21	Mr. S. Sundararaman Mr. V.V.SuryaRau Mr. Brij Mohan Bansal Mr. Gautam Roy	2021-22
Sitting Fees	-	-	-	-	1.10	-	1.90	8.70	9.60	-	-
Management Consultancy	-	-	-	-	30.00	-	30.00	-	-	-	-
Short Term Employee Benefits	-	-	233.34	143.24	116.51	103.22	-	-	-	-	-
Post Employment Benefits	-	-	7.20	7.20	11.01	9.55	-	-	-	-	-
Closing Balance	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII

Nature of Transactions	Century Foods Pvt Ltd.		Kothari Safe Deposits Ltd.		Kothari Biotech Private Limited		Kothari Sugars & Chemicals Ltd.		Parasakthi Trading Co. Pvt. Ltd.		HCK Educational and Development Trust		Shyam Kothari Foundation	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Lease rental	15.60	13.65	25.41	22.24	-	-	7.20	1.20	32.40	-	-	-	-	-
Electricity charges	-	-	-	-	-	-	4.94	2.84	5.74	-	-	-	-	-
Locker Rent	-	-	0.05	0.07	-	-	-	-	-	-	-	-	-	-
Professional Services(AMC,Tech Fee)	-	-	-	-	-	-	351.38	319.44	-	-	-	-	-	-
CSR Payment	-	-	-	-	-	-	-	5.00	-	-	-	-	-	-
Security Deposit	-	-	-	0.14	-	-	(1.33)	-	-	-	-	-	-	-
Security Deposit returned	-	-	-	(0.13)	-	-	0.13	-	-	-	-	-	-	-
Lubricant Sales	-	-	-	-	-	-	1.64	1.58	-	-	-	-	-	-
Purchase of Goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	NII	36.52	35.19

Note :

- a. (*)Mrs. K. Priya was appointed as Company Secretary w.e.f Apr 11, 2021
- (**)Ms. Deepa Bansal, Company Secretary resigned with effect from Apr 10, 2021
- b. Remuneration to KMP and Managing Director remuneration above does not include gratuity as the same is computed actuarially for all the employees.

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 other price risk), credit risk and liquidity risk.

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

a) Foreign currency risk management

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

Foreign currency forward covers outstanding as at Balance sheet date : (₹ in Lakhs)

	As at 31 st March 2022	As at 31 st March 2021
Forward cover (sell) :		
USD/INR (in FCY)	7.83	10.04
USD/INR (in INR)	593.11	737.15

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.

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 2022, in case of Rupee borrowings and all other variables were held constant, Impact of ₹ 5.49 lakhs as additional annual interest expense on floating rate borrowing would arise as on 31st March 2022. (31st March 2021 ₹ 1.12 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 Rs.204 lakhs as at 31st March 2022 (Nil - as on 31st March 2021) by Rs.10.21 lakhs.

d) Credit risk management

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

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and credit worthiness of its counter parties are periodically monitored and

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 2022.

(₹ in Lakhs)

Particulars	Carrying amount	upto 1 year	1-3 years	More than 3 years	Total contracted cash flows
Interest bearing borrowings	1,098.68	272.75	825.93	-	1,098.68
Trade payables(Non - Interest bearing)	3,284.58	3,284.58	-	-	3,284.58
Other financial liabilities	946.04	890.15	-	55.89	946.04
Total	5,329.30	4,447.48	825.93	55.89	5,329.30

The table below provides details of financial assets as at 31st March 2022:

(₹ in Lakhs)

Particulars	Carrying amount
Trade receivable	2,898.19
Cash and cash equivalents	686.88
Other financial assets	549.42
	4,134.49

Note 36: Events after the reporting period

No adjusting or significant non-adjusting events have occurred between 31st March 2022, the reporting date and the date of approval of financial statements.

Note - 37: Contingent Liabilities and Commitments

(₹ in Lakhs)

Particulars	As at 31 st March 2022	As at 31 st March 2021
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt:	-	-
(b) Guarantees excluding financial guarantees:	1,161.50	1,162.25
(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	1,023.54	65.74
(b) Uncalled liability on shares and other investments partly paid; and	-	-
(c) other commitments (specify nature).	-	-

Note - 38 : Dues to Micro, Small and Medium suppliers

Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), and relied upon by the auditors, the relevant particulars as at 31st March 2022 are furnished below:

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As at 31 st March 2022	As at 31 st March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year		
Principal	143.62	66.32
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	2021-22	2020-21
(a) Current Ratio,(in times)	Total Current Assets	Total Current Liabilities	2.19	1.93
(b) Debt-Equity Ratio,(in times)	Total Liabilities	Total Equity	0.43	0.39
(c) Debt Service Coverage Ratio,(in times)	PAT + Depreciation +Finance cost + Loss on sale of assets	Finance cost +Principle lease payments and Loan repayments	18.44	4.16
(d) Return on Equity Ratio,(in %)	PAT	Average Total Equity	5.89%	5.05%
(e) Inventory turnover ratio, (in times)	Sale of products	Average Inventory	17.46	15.75
(f) Trade Receivables turnover ratio, (in times)	Net Credit Sales	Average Trade Receivables	17.41	12.30
(g) Trade payables turnover ratio, (in times)	Net Credit Purchases	Average trade payables	14.50	9.78
(h) Net capital turnover ratio, (in times)	Revenue from operations	Average Working capital	6.60	6.79
(i) Net profit ratio, (in %)	PAT	Revenue from operations	8.62%	9.94%
(j) Return on Capital employed,(in %)	Profit before Interest & tax	Total Equity + Non - current liabilities	26.78%	24.02%
(k) Return on investment (in %)	Gain(Loss) on Fairvalue of Investments + Interest income from investments	Average value of Investments	4.36%	3.15%

NOTES FORMING PART OF FINANCIAL STATEMENTS

The details of significant changes in ratios (25% or more) as compared to 2020-21

Ratios	2021-22	2020-21	% of Variance	Reason for variance
1. Debt Service Coverage Ratio(in times):	18.44	4.16	343%	Improved profitability and repayments of project loan under moratorium
2. Trade Receivables turnover ratio(in times):	17.41	12.30	42%	Improved collection due to more domestic sales.
3. Trade payables turnover ratio(in times):	14.50	9.78	48%	Due to lower offtake of raw material in March 2022 due to project.
4. Return on investment(in %).	4.36%	3.15%	38%	Due to increase in investments and improved investment mix

(ii) Disclosure on borrowings secured against current assets:

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

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

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

Note - 41: Exceptional items

During the year, the company has scrapped old equipments which have no further use, the carrying amount in books is de-recognised and the resultant loss is shown under exceptional item.

Note - 42: Previous year figures

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

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

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

Arjun B. Kothari
Managing Director
DIN:07117816

S. Sundarraman
Director
DIN:01032768

K. Priya
Company Secretary

Sivamahesh. S
Chief Financial Officer

S. Raghavendhar
Partner
Membership No.244016

Place : Chennai
Date : May 25, 2022

KOTHARI PETROCHEMICALS LIMITED

Regd. Office. "Kothari Buildings"

No. 115, Mahatma Gandhi Salai,

Nungambakkam, Chennai - 600 034.