



Kothari Petrochemicals Limited

*27th Annual Report
2015 - 16*





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 P.N.Devarajan Pranab Kumar Rudra Dr.R.K.Raghavan
Company Secretary	:	S.Sundaramurthy
Chief Financial Officer	:	Cyrus Kallapurackal
Statutory Auditors	:	R.Subramanian and Company Chartered Accountants No.6, Krishnaswamy Avenue, Luz, Mylapore, Chennai - 600 004
Internal Auditors	:	K.R.Sarangapani & Co. Chartered Accountants, No.28/1, Anjuham Nagar, 1 st Street, Jafferkhanpet, Chennai - 600 083
Cost Auditors	:	P.Rajulyer, M.Pandurangan & Associates No.42, Flat 1B, Sundar Regency, 3rd Street, Choolaimedu, Chennai - 600 094.
Secretarial Auditor	:	V.Vasumathy, Company Secretary in Practice No.10/23, Vinayagam Street, R.A. Puram, Chennai - 600 028.
Legal Advisors	:	S.Ramasubramaniam and Associates Advocates, No.6/1, Bishop Wallers Avenue (West) Mylapore, Chennai - 600 004
Registered Office	:	"Kothari Buildings" No.115, Mahatma Gandhi Salai, Nungambakkam, Chennai - 600 034 Phone No.044 -30225616 / 30225507 / Fax No.044 -28334560 e-mail: secdept@hckgroup.com website: www.kotharipetrochemicals.com
Registrar & Share Transfer Agent	:	Cameo Corporate Services Limited Subramanian Building, 5th Floor, No.1, Club House Road, Chennai - 600 002. Phone No. 044 - 28460390 to 28460394 Fax No.044 - 28460129 e-mail: investor@cameoindia.com
Listing	:	The National Stock Exchange of India Limited (NSE)
Stock Code	:	KOTHARIPET
ISIN	:	INE720A01015
CIN	:	L11101TN1989PLC017347
Manufacturing Unit	:	No. 1/2-B, 33/5, Sathangadu Village, Tiruvottiur - Ponneri High Road, Manali, Chennai - 600 068, Tamil Nadu. Phone: 044 - 2594 1308 / 1309

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Financial Highlights

₹. in Lakhs

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
PROFITABILITY ITEMS					
Gross Income	17,565.58	26,152.05	37,055.05	31,005.27	23,572.93
Profit (PBDIT)	945.20	1,117.29	1,519.77	2,138.64	1,819.66
Profit After Tax	428.79	520.56	790.64	1,130.49	918.45
BALANCE SHEET ITEMS					
Net Fixed Assets	5,999.13	4,844.38	5,278.18	5,380.39	5,454.53
Investments	109.50	317.85	1,093.23	1,194.60	613.83
Net Current Assets	863.13	1,592.58	856.05	932.76	1,077.88
Total Capital Employed	7,094.42	6,457.75	6,611.61	6,946.25	7,177.04
Shareholders' Funds	6,058.58	6,062.78	6,164.95	6,459.25	6,669.44
RATIOS					
Book Value Per Share (₹)	10.30	10.30	10.40	10.98	11.33
EPS (₹)	0.73	0.88	1.34	1.92	1.56
Return on Investment	7.08%	8.59%	12.82%	17.50%	13.77%
Dividend %	5%	7.5%	10%	10%	10%

NOTICE TO THE MEMBERS

Notice is hereby given that the 27th Annual General Meeting of Kothari Petrochemicals Limited will be held on Thursday, 04th August 2016 at 10.30 A.M. at The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 to transact the following business:

Ordinary Business

1. To consider and adopt:
 - a) The Audited financial statements of the Company for the financial year ended March 31, 2016, the Reports of the Board of Directors and Auditors and
 - b) The Audited consolidated financial statement of the Company for the financial year ended March 31, 2016.
2. To appoint a Director in the place of Mr.Arjun B. Kothari, (DIN 07117816) who retires by rotation and being eligible offers himself for re-appointment.

3. Appointment of Auditors

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

“Resolved that M/s.R.Subramanian and Company, Chartered Accountants, Chennai, the retiring Auditors, be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company at the remuneration to be fixed by the Board of Directors”.

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 of the Companies Act, 2013 if any, and Companies (Audit & Auditors) Rules, 2014, payment of a remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) plus applicable service taxes and re-imbursement of out of pocket expenses to Mr.M.Pandurangan of M/s.P.Rajulyer, M.Pandurangan & Associates, Cost Accountant in Practice for conducting the audit of cost records for the Poly Iso Butene (PIB) unit of the Company for the year 2016 - 2017, be and hereby ratified and confirmed.”

5. Increase in Remuneration to Mr.Arjun B Kothari, Managing Director

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

“Resolved that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V of the Companies Act, 2013, and in partial modification of the relevant resolution passed at the Board Meeting held on 08.04.2015 and as approved by the members in the Annual General Meeting of the Company held on 10th August, 2015, the consent of the Company be and is hereby accorded for the revision in the remuneration by way of payment of commission as detailed below to Mr.Arjun B Kothari, (DIN: 07117816), Managing Director of the Company”.

NOTICE TO THE MEMBERS

“Resolved further that Mr.Arjun B Kothari, Managing Director, with effect from 01st April 2016 during the currency of his tenure, shall be paid in addition to the Salary, a Commission not exceeding 4% of the net profits, subject to the condition that the overall remuneration payable to him including Commission shall not exceed 5% of the net profits of the Company for any financial year computed in the manner prescribed under the Companies Act, 2013.

“Resolved further that except for the aforesaid revision in remuneration, all other terms and conditions of his appointment as the Managing Director of the Company, as approved by the Resolution passed at the Board Meeting held on 08.04.2015 and as approved by the members in the Annual General Meeting of the Company held on 10th August, 2015, shall remain unchanged.

“Resolved further that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr.Arjun B Kothari, Managing Director, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this Resolution and the Companies Act, 2013”.

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

Place: Chennai
Date: 30th May, 2016

S.Sundaramurthy
Company Secretary

NOTICE TO THE MEMBERS
Important Notes:

- a) **The Register of Members and Share Transfer books will remain closed from Friday, the 29th July, 2016 to Thursday, 04th August, 2016 (both days inclusive) on account of the Annual General Meeting.**
- b) 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.
- c) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.
- d) A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- e) The instrument appointing a Proxy should be deposited at the Registered Office of the Company, duly completed and signed not less than 48 hours before the commencement of the meeting i.e. 10.30 a.m. on Thursday, 04th August 2016. A Proxy form is sent herewith.
- f) Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
- g) **Members or Proxies are requested to bring the attendance slips duly filled in along with their copies of Annual Reports to the meeting and members holding shares in Demat form are requested to bring in their details of DP ID and Client ID for ease of identification and recording of attendance at the meeting.**
- h) The Board of Directors at its meeting held on 19th March, 2016 declared an Interim Dividend at the rate (@10%) of Re.1/- per equity Share of Rs.10/- each for the financial year 2015 - 2016. The total amount (inclusive of Dividend Tax) of Rs.708.26 Lakhs was paid within the stipulated time to the shareholders of the Company.
- i) Members who have not encashed their dividend warrants pertaining to the financial years 2010 -11, 2011-12, 2012-13, 2013-14, 201 -15 and 2015-16 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 IEPF are detailed below:

Sl. No.	Nature of Dividend	Financial Year	Date of Payment of Dividend	Due Date for transferring to IEPF
(i)	Interim Dividend	2010 - 11	09.06.2011	17.06.2018
(ii)	Final Dividend	2011 - 12	18.10.2012	26.10.2019
(iii)	Final Dividend	2012 -1 3	04.10.2013	11.10.2020
(iv)	Final Dividend	2013 - 14	01.10.2014	07.10.2021
(v)	Final Dividend	2014 - 15	28.08.2015	16.09.2022
(vi)	Interim Dividend	2015 - 16	31.03.2016	24.04.2023

- j) 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 financial years 2010-11, 2011-12, 2012- 13 & 2013 -14, as on the date of the 26th Annual General Meeting (AGM) held on 10th August, 2015, on the website of the IEPF viz. www.iepf.gov.in and also in the Company Website www.kotharipetrochemicals.com under "Investors ---> Investors Relations."
- k) Members holding shares in Dematerialized form are requested to intimate immediately all changes pertaining to their Bank details NECS / ECS mandates, nominations, power of attorney, change of address / name etc., to their Depository Participant only and not to the Company / Registrar and Transfer Agents (RTA). Changes intimated to the Depository Participant will be automatically reflected in the Company's records which will help the Company and the RTA to provide efficient and better service to the Members. Members holding shares in physical form are requested to advise the above changes and Transfer of Shares to the Company's RTA viz. M/s. Cameo Corporate Services Limited.

NOTICE TO THE MEMBERS

- l) Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail the benefits of easy liquidity, electronic transfer, savings in stamp duty, prevention of forgery, etc.

Important Note: The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of Electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s.Cameo Corporate Services Limited, whose address is given elsewhere in this Annual Report. **Kindly ensure to update your fresh Email ID with the Depository / M/s. Cameo, if you have changed the same.**

- m) The Company has designated an exclusive e-mail id viz. secdept@hckgroup.com to enable investors to register their complaints / queries, if any.
- n) In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the RTA in the following cases viz. Transfer of Shares, Deletion of Name, Transmission of Shares and Transposition of Shares etc., Shareholders are requested to furnish copy of PAN card for all the abovementioned transactions.
- o) The shareholders are expected to send their queries on annual accounts / other reports of Annual Report to the Company in the email id secdept@hckgroup.com, atleast 3 days before the date of meeting, so that the requisite information/explanations can be provided on time.**
- p) Pursuant to Section 72 of the Companies Act, 2013 and the Rules made thereunder the Members holding shares in single name may, at any time, nominate in form SH-13, any person as his/her nominee to whom the securities shall vest in the event of his/her death. Nomination would help the nominees to get the shares transmitted in their favour without any hassles. Members desirous of making any cancellation/variation in the said nomination can do so in form SH-14. The nomination forms can be downloaded from the Company's website www.kotharipetrochemicals.com.
- q) Disclosure pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 with respect to the Directors seeking re-appointment at the forthcoming Annual General Meeting is appended to this notice.
- r) Electronic copy of the Notice and Annual Report of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice and Annual Report of the 27th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are sent in the permitted mode.
- s) Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.kotharipetrochemicals.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same for free of cost. For any communication, the shareholders may also send requests to the Company's investor e-mail id: secdept@hckgroup.com.

Voting through Electronic means:

Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Rule 21 of the Companies (Management and Administration) Rules, 2014 and the provisions of Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company shall provide members facility to exercise their right to vote at the General Meetings by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited, (CDSL):

The instructions for members for voting electronically (remote e-voting) are as under:

NOTICE TO THE MEMBERS

In case of members receiving e-mail:

- i) Log on to the e-voting website www.evotingindia.com.
- ii) Click on "Shareholders" tab to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number - "EVSN" of Kothari Petrochemicals Limited from the drop down menu and click on "SUBMIT".
- iv) Now Enter your User ID:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company

Then enter the Captcha Code as displayed and Click and Login

- v) If you are holding shares in Demat Form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below:
- vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both Demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/RTA/Depository Participant are requested to use the first two letters of their name and the sequence number in the PAN field. Incase the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name of the CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. (SI. No. mentioned in your address label can be used as Sequence No. for this purpose)

Please enter any one of the details in order to login. Incase both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

To avoid this problem of filling a default number in future, members are strongly advised to update their PAN details and dividend bank details immediately with the Depository Participants / RTA - Cameo Corporate Services Limited / Company.

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ % & *). 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.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the relevant EVSN on which you choose to vote.
- xi) 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.
- xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xiii) 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.