

48<sup>th</sup> Annual Report 2008 - 09

**Kothari**  
SUGARS AND CHEMICALS LTD

**Kothari Sugars & Chemicals Limited**

## CORPORATE INFORMATION

<b>Board of Directors</b>	:	B.H.Kothari - Chairman & Managing Director Dr.P.S.Mani Sundaram P.S.Gopalakrishnan V.R. Deenadayalu N.Chandramouli
<b>Company Secretary</b>	:	PR.Ramanathan
<b>Statutory Auditors</b>	:	R.Subramanian and Company Chartered Accountants, Chennai - 600 004
<b>Internal Auditors</b>	:	K.R.Sarangapani & Co. Chartered Accountants, Chennai - 600 083 V.P. Mukundan & Associates Chartered Accountants, Chennai - 600 004
<b>Legal Advisors</b>	:	S.Ramasubramaniam & Associates Advocates, Chennai - 600 004
<b>Registered Office</b>	:	“Kothari Buildings” No.115, Mahatma Gandhi Salai Nungambakkam Chennai - 600 034 Phone Nos.044-30225507, 30225616 Fax No.044-28334560
<b>Registrar &amp; Share Transfer Agents</b>	:	M/s. Cameo Corporate Services Limited Subramanian Buildings No.1, Club House Road Chennai - 600 002 Phone Nos.: 044 - 28460390 to 28460394 Fax No.: 044 - 28460129
<b>Listing</b>	:	The National Stock Exchange of India Limited (NSE), Mumbai
<b>Stock Code</b>	:	<b>KOTARISUG</b> - ISIN No.INE419A01022

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### Manufacturing Units

Kattur	Kattur Railway Station, Lalgudi Taluk, Trichy District, Tamilnadu - 621 601
Sathamangalam	Sathamangalam Village, Vetriyur Post, Via - Keezhapalur, Ariyalur Taluk, Perambalur District, Tamilnadu - 621 707

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Notice is hereby given that the 48th Annual General Meeting of Kothari Sugars & Chemicals Limited will be held on Thursday, 24-September-2009 at 11.00 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 businesses :

## Ordinary Business

1. To receive, consider and adopt the audited Accounts for the year ended March 31, 2009 together with Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. P.S. Gopalakrishnan, who retires by rotation and being eligible offers himself for re-appointment.
3. Appointment of Auditors.

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

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

By order of the Board  
for **Kothari Sugars and Chemicals Limited**

Place: Chennai  
Date: July 24, 2009

**PR.Ramanathan**  
Company Secretary

## Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. PROXIES SHOULD BE LODGED AT ANY TIME NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.**
2. A member or proxy should fill the enclosed attendance slip and deposit the same at the entrance of the meeting hall.
3. All correspondence concerning change of address, transfer of shares etc, may be made to the Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited, No.1, Club House Road, Chennai- 600 002.
4. Share Transfer books and Register of Members will remain closed from Friday, 18-September-2009 to Thursday, 24-September, 2009, (both days inclusive).
5. Members are requested to bring copies of their Annual Reports, as no additional copies will be provided.

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**ANNEXURE TO THE NOTICE**

THE INFORMATION IN RESPECT OF ITEM NO. 2 PURSUANT TO SEBI CODE FOR CORPORATE GOVERNANCE ABOUT DIRECTORS SEEKING RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER

Particulars	Item No. 2
Name of the Director	Mr. P.S. Gopalakrishnan
Date of Birth	23-08-1935.
Date of Appointment	12-06-1995.
Qualification	B.Com, LLB.
Experience in specific functional areas	He has wide experience in the Banking Industry. He was formerly the Chairman of leading Financial Institutions such as (1) The Industrial Finance Corporation of India, (2) The Tourism Finance Corporation of India, (3) Indian Overseas Bank and (4) Oriental Bank of Commerce. He was an Executive Trustee of Unit Trust of India.
List of other Companies in which Directorship held	1. Dharani Sugars & Chemicals Limited. 2. Shriram General Insurance Co. Limited. 3. Sakthi Finance Limited.
Chairman/ Member of the Committee of the Board of Director of the Company	He is the Chairman of the Audit Committee as well as Share Transfer Cum Shareholders Grievances Committee.
Chairman/ Member of the committee of the other companies in which he is a Director	1. Dharani Sugars & Chemicals Limited - Member of Audit Committee/ Management and Remuneration Committee. 2. Shriram General Insurance Co. Ltd - Chairman of Investment Committee.

Place : Chennai  
Date : 24th July, 2009

By Order of the Board  
for **Kothari Sugars & Chemicals Limited**

**PR. Ramanathan**  
Company Secretary

**To the Members**

The Directors present the 48th Annual Report of the Company together with the audited statement of accounts for the year ended March 31, 2009.

The performance highlights of the Company for the year are summarised below.

**Financial Highlights**

(Rs. in Lakhs)

Description	2008-2009	2007-2008
Profit/(Loss) before Interest and Depreciation	2385.69	2592.04
Interest	545.71	487.72
Depreciation	1297.67	954.36
Profit / (Loss) Before Exceptional Items	542.31	1149.96
Exceptional items	427.52	---
Profit/(Loss) Before Tax	114.79	1149.96
Tax Adjustments	13.32	131.03
Fringe Benefit Tax	17.30	17.87
Profit / (Loss) after Tax	84.17	1001.06
Transfer to Debenture Redemption Reserve	75.00	75.00
Transfer to Capital Redemption Reserve	9.17	58.12
Profit / (Loss) after Appropriation	--	867.94
Balance brought forward from previous year	--	(867.94)

Your Directors are pleased to report that the company has made a profit after tax of Rs.84.17 Lakhs.

**Operations and Performance****Performance**

The Company achieved a turnover of Rs.275.68 Crores for the year ended March 31, 2009 and profit after tax of Rs.84.17 Lakhs compared to Rs.1,001.06 Lakhs, of last year.

**a. Sugar**

Fall in overall sugar production in the country had shifted India from "Exporter of sugar" during 2007-08 to "Importer of sugar" in 2008-09. The main reasons for this significant fall in sugar production are reduction in cane acreage, reduction in agricultural yield, large number of farmers switching to more remunerative crops and also reduction in industrial yield.

The Plant at Kattur had crushed 4,52,491 MTs in 2008-09 with a recovery of 10.27% as against 7,72,232 MTs in 2007-08 with a recovery of 9.57%.

The Plant at Sathamangalam crushed 5,93,134 MTs in 2008-09 with a recovery of 10.46% as against 2,69,340 MTs in 2007-08 (first year of operations) with a recovery of 9.79%.

Pandavapura unit (leased from PSSK Ltd.) at Karnataka crushed 2,64,581 MTs with a recovery of 8.58% as against 5,56,867 MTs with a recovery of 9.27% in 2007-08. In view of unviability, the company has suspended operations in Pandapura plant and is in dialogue with Government of Karnataka for cancellation of lease.

Due to Steep increase in sugar prices from last quarter of the financial year 2008-09 the prospects seem more promising. Still, cane availability would be the key driver for profit growth. Necessary actions had already been initiated to address the competition for cane from other crops.

**b. Cogeneration**

The 24 MW cogeneration power plant at Sathamangalam had helped to some extent. However, non-availability of adequate cane has affected the availability of adequate Bagasse, which is the key input material, for Cogeneration of Power.

Total power exported at Kattur was 11,455 MWH during 2008-2009 as against 24,458 MWH during 2007-2008, and at Sathamangalam power exported was 51,439 MWH during 2008-2009 as against 67,698 MWH during 2007-2008.

To capitalize on the demand for power in Tamil Nadu, we have installed coal handling system to generate power through coal.

**c. Distillery**

Alcohol production during the year 2008-09 was 15,695 KL as against 13,511 KL in 2007-08. We have successfully expanded our capacity from 45 KLPD to 60 KLPD during 2008-09 which actually helped to increase production.

**Dividend**

The Directors do not recommend dividend for this year, in view of no distributable surplus.

**Directors**

Mr.P.S.Gopalakrishnan, Director is retiring by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr.V.R.Deenadayalu was appointed as a director in the casual vacancy caused due to the resignation of Mr.P.N.Devarajan on April 27, 2009.

**Directors' Responsibility Statement**

The Directors confirm

- i. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that they have 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 profit of the company for that period;
- iii. that they have 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;
- iv. that they have prepared the Annual Accounts on a going concern basis.

**Corporate Governance**

The reports of the Corporate Governance together with the Auditor's Certificate are attached hereto as an Annexure.

## Public Deposits

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

## Re-appointment of Auditors

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

## Cost Auditor

The Company's Cost records with respect to product 'Sugar' are being audited by Mr K.Suryanarayanan, Cost Auditor, appointed by the Board.

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

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

## Subsidiary Companies

Pursuant to the order issued by the Ministry of Corporate Affairs, New Delhi, attaching the Balance Sheet of the subsidiary company Kothari International Trading Limited is exempted.

## Acknowledgement

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

On behalf of the Board  
for **Kothari Sugars and Chemicals Limited**

Place : Chennai  
Date : July 24, 2009

**B.H.Kothari**  
Chairman and Managing Director

**FORM A**

**PARTICULARS AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956**

**A. POWER AND FUEL CONSUMPTION**

Sl. No.	Particulars	Kattur		Sathamangalam	Pandavapura
		Sugar & Cogen	Distillery	Sugar & Cogen	Sugar
1.	<b>Electricity</b>				
	a. Purchased Unit	1006000	1018769	828099	572206
	Total Amount Paid (Rs.)	7424437	5169609	5720189	2916796
	Rate per unit (Rs.)	3.50per unit	3.50per unit	6.91	5.10
		/ 5.00 per unit –	300.00 Per KVA MD		
		during Off Season	Charges		
		300.00 Per KVA MD			
		Charges			
	b. Own Generation through Diesel				
	Generated Unit in KWH	114030		15616	61383
	Unit per Litre of Diesel	2.8 units	NA	2.87	3.05
	Cost per Unit (Rs.)	13.00		11.517	11.47
	c. Power generated through				
	Steam turbine Unit in KWH	30536126	1171819	73679000	9733256
	Unit per ton of fuel	255.30	-	392.95	141.91
	Cost per unit (Rs.)	3.15	3.15	3.15	
2.	<b>Coal (specify quantity and where used)</b>	NA	NA	NA	NA
	Quantity (tonnes)				
	Total cost (Rs.)				
	Average Rate (Rs.)				
3.	<b>Fuel Oil</b>	NA		NA	NA
	Quantity (tonnes/kiloliters)		955.150 tons		
	Total Cost (Rs.)		30535180		
	Average Rate/ litre (Rs.)		31.97		
4.	<b>Natural Gas</b>	NA	NA	NA	NA
	Quantity M3				
	Total Cost (in Rs.)				
	Average Rate per M3 (Rs.)				
5.	<b>Consumption per unit of production</b>				
	Total in-house consumption (unit)	17693356	4166683	22952985	10365345
	Products (Sugars) in Quintal	440450	13397474 Litres of	566720	222330
			Alcohol		
	Electricity (Unit per quintal)	40.17	0.311 unit per Litre	40.50	46.62
			of Alcohol		

Notes: N.A. - Not Applicable

**B. TECHNOLOGY ABSORPTION**

**FORM B**

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

**Research and Development (R & D)**

The Company adopts the following R & D measures:

High Sugar variety cane development activities are being implemented to increase the sugar recovery.

**Expenditure on R & D** : Nil

**Technology absorption, adoption and innovation** : Nil

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Rs. in Lakhs)

a.	Total Foreign Exchange earned	1,796.07	b.	Total Foreign Exchange outflow	20 64
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## MANAGEMENT DISCUSSION AND ANALYSIS

### “2008-09” Industry Structure & Development

2008-09 was a testing time for industries all over the world with many countries facing a downtrend. There is strong need to put in place proper systems and controls. Fortunately India has not been affected to the extent many other countries have been, due to tight regulatory mechanism. Nonetheless, the global economic slow down had its impact on India too.

In addition to credit crunch, Indian sugar industry also went through the cyclical recession. The profitability of most of the sugar mills was worst hit during 2008-09. Overall sugar production in India during 2008-09 was 14.5 million tons as against 21 million tons forecast at the beginning of the year and is 45% less than the last year's production of 26.4 million tons. Maharashtra, Uttar Pradesh, Karnataka and Tamil Nadu which together hold 75% to 80% of the country's sugar production have been greatly affected during the year. Though there are several reasons for this huge drop, the key reasons are significant fall in cane acreage (20% reduction), reduction in agricultural yield (down by 9%) and industrial yield (down by 7%).

Since the production dropped by 45% over last year and consumption increased by 3%, substantial import is required to contain prices and also to avoid drastic reduction in stock. In anticipation of a tight situation, the government has already taken several measures, the most important being total removal of import duties on both raw and white sugar until 31st July. The down trend in sugar production has converted India from “Exporter of sugar” during 2007-08 to “Importer of sugar” in 2008-09.

### OPPORTUNITIES & THREAT

#### Opportunities

- o Uptrend in the Sugar & by-products prices is a positive development.
- o High demand from industrial, food grade and fuel alcohol led to high alcohol realizations.
- o Heavy demand for electricity has resulted in firming up of prices.
- o Import of raw sugar at zero duty and without future export obligations.
- o Removal of the 60% import duty on white sugar.

#### Threat

- o Significant fall in cane area resulting from the large number of farmers switching to more remunerative crops such as Paddy, Wheat, Cotton, Corn, etc.
- o Reduced agricultural yield due to lack of fertilizers & inadequate monsoon rains during the critical cane growth period.
- o Low Industrial recovery.
- o Though consumption of sugar has increased, there is a significant drop in sugar production.
- o India has faced two consecutive years of production shortage.
- o Unusually low stocks for last two years.
- o The key issue will be the weather pattern which will determine the effective number of harvesting days and production.
- o Raw sugar import margins have been lowered drastically to contain price inflation internationally and this may discourage imports.

### OUTLOOK SUMMARY

#### Industry Outlook

Steep increase in sugar as well as its by-product prices during the last quarter of the financial year 2008-09 holds promising outlook. Still, cane availability would be the key driver of profit growth. Other than cane availability, Govt./Court action in fixing the Statutory Minimum Price (SMP) in line with sugar price,

increased cost of production, increased competition for cane cultivation from other more remunerative crops like rice, wheat etc will also play major role in the coming year. The positive developments like uptrend in the price of by-products, strong demand for electricity are expected to offset the gap created by factors mentioned above.

India will start the year 2009-10 with unusually low stock of sugar (approx.4.7 million MTS) and any production shortage during the next crop season will again require substantial imports since the consumption is expected to grow by 5%(22.5 million MTS to 23.5 million MTS). The price trends in international markets would also be a key determinant for the future profitability of Indian Sugar Industry. The Indian sugar market will also be dependent on Brazilian expansion. India, which has been a strong competitor for Brazilian sugar will ironically become its main dependent. Brazil is on track to register its largest ever increase in sugar production (32.2 million MTS) and should strongly regain its market share due to the exclusion of India. Despite the credit crunch and the financial crisis, the strong rise in Brazilian exports (30% increase) is expected to meet the increased world-wide demand (mainly from India).

To summarize, availability of Cane acreage will have a key influence on both agricultural yields and industrial recovery. If the next crop comes in below 20 million Tons of sugar production, India will once again require substantial imports. It is hoped that the upward trend in sugar and its by-products prices will take care of the bottom line of the sugar mills. Overall the domestic market outlook for the next year appears favourable, yet very early to predict.

#### **Company's Outlook**

Upward trend in prices of sugar as well as its by-products (especially Alcohol prices) is a positive sign. Still, cane availability and cane price would be the key determinants. Actions have already been initiated to prevent switching from cane to crops like Paddy, sunflower etc by introducing high yield cane varieties, announcing subsidy to farmers for cane cultivation, arranging cane developmental schemes through banks and addressing their basic demands. As discussed above, if there is a drop in sugar production level, India again needs to import raw sugar (may be at zero duty and without future export obligations) which will be a positive sign. We are well equipped to process raw sugar and will take it forward if found viable. Reduction in Cost of Production is the need of the hour and we are in the process of "Creative Cost Cutting" without sacrificing quality. Heavy demand for electricity, especially in Tamil Nadu, has resulted in firming up of prices. To capitalize this opportunity, we have entered into an agreement with Power Trading Corporation (PTC) to supply around 135,00,000 KWH power per month (i.e.150% more than 2008-09 average supply per month to TNEB) with 50% higher price. With all the above, we expect 2009-10 to be a good year.

#### **RISKS AND CONCERNS**

##### **Raw Material risk:**

Significant fall in cane area resulting from the large number of farmers switching to crops such as Paddy, Wheat, Cotton, Corn, etc. Reduced agricultural yield due to lack of fertilizers & inadequate monsoon rains during the critical cane growth period and Low Industrial recovery.

##### **Risk Mitigation:**

As stated earlier, we have already started our initiative to stop farmers to switching over to other crops. To improve their yield, we are recommending the right variety crops and also providing timely "monetary as well as technology" support.

##### **Product price risk:**

Sugar, being essentially a controlled commodity, its price is controlled by the Government.

##### **Risk Mitigation:**

From the last quarter of financial year 2008-09, the prices of Sugar and its by-products show an increase. As discussed above, the demand for sugar during 2009-10 will be high and the prices are expected to be in upward trend.

## Competitive risk:

Some of the existing sugar mills in Tamil Nadu have commissioned new units/upgraded their facilities which may put some pressure on us.

## Risk Mitigation:

The above is not a major concern. Still, we may have to face tough competition in the market. The company maintains very good relationship and also is in constant touch with the farmers, to ensure availability of raw material to the factories.

## Legal & Regulatory Risk

Since Sugar is classified under essential commodity, both input and output prices are being controlled by Government. One of its key by-product "Molasses" is being closely monitored by State Government. We need to comply with legal and regulatory requirements.

## Risk Mitigation:

We have put in place experienced compliance officers to ensure 100% legal and regulatory compliance. We take guidance from consultants, auditors, lawyers, specialists and experts wherever required.

## Internal Control Systems and their adequacy

The Company has established a system of internal control across all of its business operations and safeguarding of the Assets. The Board, Audit Committee and the Management ensure that the internal control system operates effectively within the organisation. Internal Audit team supported by external experts as and when required, review the adequacy of internal control systems and suggests necessary checks and balances to increase the effectiveness of the system. Clear policies have been laid down for approval and control of expenditure. Investment decisions involving capital expenditure are subject to detailed appraisal and review. *Capital and revenue expenditure are monitored and controlled with reference to approved budgets.*

## Human Resources / Industrial Relations

Human resources being the most significant part of an organization, as a continuous process, we have been initiating a lot of organisational development measures, reaching employees at all levels. The organisational development measures include implementation of 5S, Kaizen and also bringing the entire business process under ISO standards. Besides building effective teams through OD measures, the individual employees are being trained for higher assignments in the organisation and infusion of fresh talents is carried out at the lower and middle levels. During the financial year, 3 out of 3 senior management positions and 10 of 18 middle level positions were positioned through internal promotions.

The common wage settlement applicable to sugar units arrived at between SISMA & employees union was implemented in our Kattur Sugar unit during the year. Total number of employees as on 31-March-2009 is 600. Industrial relations aspects are very cordial, conducive and mutually productive.

On behalf of the Board  
for **Kothari Sugars and Chemicals Limited**

Place : Chennai  
Date : July 24, 2009

**B.H. Kothari**  
Chairman and Managing Director

**CORPORATE GOVERNANCE : (As required by Clause 49 of the Listing Agreement of the Stock Exchanges)**

**1. Company's Philosophy**

In Kothari Sugars and Chemicals Limited (KSCL), the pursuit towards achieving good Corporate Governance is an on-going process, thereby ensuring truth, transparency, accountability and responsibility in all our dealings with customers, dealers, employees, shareholders and with every individual who comes in contact with the Company.

KSCL firmly believes that the practice of trusteeship, transparency, empowerment and accountability in all dealings with its stakeholders, leads to the creation of the right corporate culture, in which the company is managed in a manner that fulfils the purpose of Corporate Governance.

KSCL's commitment for effective Corporate Governance continues and the company has always been at the forefront of benchmarking its internal systems and controls within reasonably accepted standards to create long term value for its shareholders.

**2. Board of Directors**

In compliance with the Corporate Governance norms the present strength of the Board is five, headed by the Chairman & Managing Director, Mr. B.H.Kothari. Except the Chairman & Managing Director (CMD) and Mr.N.Chandramouli all other directors are Independent.

Independent Non-executive Directors (INED) are professionals and have vast experience in the field of industry, finance and law representing optimal mix of professionalism, knowledge and expertise. They bring wide range of expertise and experience to the Board.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosure regarding Committee positions in other companies as on 31-March-2009 have been made by the Directors.

The details of composition of the Board, the attendance at Board meetings during the financial year and at the last Annual General Meeting, number of directorships and committee positions held during 2008-09 are furnished in the following table.

**Company's Board of Directors details as on March 31, 2009 is tabulated hereunder**

Name of the Director	Category	No. of Board Meetings Attended	Attendance at previous AGM held on September 19, 2008	No. of Directorship in other public Companies	No. of Committee positions (as Chairman / Member) held in other public Companies	
					Chairman	Member
Mr.B.H.Kothari	CMD	05	Present	03	01	01
Dr.P.S.Mani Sundaram	INED	05	Present	Nil	Nil	Nil
Mr.P.S.Gopalakrishnan	INED	05	Present	03	01	02
Mr.N.Chandramouli+	NED	02	Not Present	02	Nil	03
Mr.P.N.Devarajan *	INED	05	Present	Nil	Nil	Nil
Mr.V.R.Deenadayalu**	INED	N.A.	N.A.	02	Nil	Nil

Note : INED - Independent Non-executive Director, NED - Non-executive Director

+ Appointed on 23rd April 2008.

\* Mr.P.N. Devarajan, Director resigned on 27th April 2009.

\*\* Mr.V.R. Deenadayalu was appointed to fill the above casual vacancy on 27th April 2009.

Meetings held during the financial year 2008-09

April 23, 2008	July 28, 2008	September 19, 2008	October 22, 2008	January 23, 2009
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### 3. Committees of the Board

The Board has setup the following committees as required under Corporate Governance:

#### a. Audit Committee

Sl. No.	Name of the Member	Category	Meetings held	Meetings participated
1.	Mr.P.S.Gopalakrishnan	Chairman	04	04
2.	Mr. B.H.Kothari	Member	04	04
3.	Dr.P.S.Mani Sundaram	Member	04	04
4.	Mr.V.R.Deenadayalu**	Member	N.A	-

\*\* Appointed on 27th April 2009

#### b. Audit Committee Meeting held during the financial year 2008-09

April 23, 2008	July 28, 2008	October 22, 2008	January 23, 2009
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#### c. Board Reference to the Audit Committee

The Statutory auditors, the internal auditors and the cost auditors of the Company participate in the Audit Committee meetings. The Vice President (Finance) and other operational heads of the Company also participate in the meetings of the committee. The Company Secretary acts as the Secretary of the Audit committee. The powers and role of the Audit Committee are as specified in clause 49 of the listing agreement and Section 292A of the Companies Act, 1956. The Broad terms of reference of the committee include following:

- i. To review the weakness in internal controls, if any, with the management and internal auditors and report to the Board, the recommendations relating thereto;
- ii. To select and establish accounting policies;
- iii. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- iv. Reviewing the company's financial and risk management policies,
- v. To approve the quarterly Un-audited financial results for publication in accordance with stock exchange requirements;
- vi. To review Management Discussion and analysis of financial condition and results of operations;
- vii. To review statement of significant related party transaction, submitted by the management;

#### d. Share Transfer cum Shareholders Grievances Committee

The Share Transfer cum Shareholders' / Investors' Grievances Committee comprises of Messrs P.S.Gopalakrishnan, B.H.Kothari and Dr.P.S.Mani Sundaram to look into redressing of Shareholders' and Investors complaints such as transfer of shares, non-receipt of annual reports etc.

During the period under review, the committee met 13 times and the attendance details of Committee Members is as follows:

Names of Directors	Category	Meetings Held	Meetings Attended
Mr.P.S.Gopalakrishnan	Chairman	13	13
Mr.B.H.Kothari	Member	13	12
Dr.P.S.Mani Sundaram	Member	13	13

**e. Details of the Complaints received from the Shareholder(s) / Department(s) during the financial year 2008-09**

Sl. No.	Subject of Complaints	Complaints received	Complaints redressed	Redressal under process at the year end
1.	Non receipt of Dividend	05	05	Nil
2.	Non receipt of new Share Certificate	15	15	Nil
3.	Non receipt of Annual Reports	07	07	Nil
4.	Non receipt of Final Redemption Warrants	05	05	Nil
5.	Non receipt of Fractional Warrants	13	13	Nil
6.	Transfer of Shares	Nil	Nil	Nil
7.	De-materialisation matters	Nil	Nil	Nil
8.	Others	Nil	Nil	Nil
<b>Total</b>		<b>45</b>	<b>45</b>	<b>-</b>
1.	Securities & Exchange Board of India (SEBI)	01	01	Nil
2.	Ministry of Corporate Affairs (MCA)	Nil	Nil	Nil
3.	National Stock Exchange (NSE)	Nil	Nil	Nil
4.	Registrar of Companies (ROC)	Nil	Nil	Nil
5.	Consumer Forum	Nil	Nil	Nil
<b>Total</b>		<b>01</b>	<b>01</b>	<b>Nil</b>

**f. Remuneration Committee**

The committee was constituted to recommend the appointment / reappointment and tenure of office, whether of executive or non-executive Directors and to approve the remuneration payable to the managing director.

The Committee currently consists of three independent non-executive directors - Mr. P.S. Gopalakrishnan (Chairman), Dr.P.S.Mani Sundaram and Mr.V.R.Deenadayalu (inducted on 27.04.2009 in lieu of Mr.N.Chandramouli)

The Committee met once during the year on 28-July-2008. The details of the members attendance at the meeting is as follows:

Names of Directors	Attendance at the meeting
Mr.P.S.Gopalakrishnan	Attended
Dr. P.S.Mani Sundaram	Attended
Mr.V R.Deenadayalu	N.A.

**Remuneration for the year**

The Remuneration Committee at their meeting held on 28-July-2008 approved the remuneration payable to the Managing Director. No sitting fee is paid to the Chairman and Managing Director for attending Board/Committee meetings. The details of remuneration paid to CMD with effect from 1st October 2008 per month is as follows:

Name	Fixed Component			Variable Component
	Salary & Allowances	Retirement Benefits	Other Benefits	Commission/ Incentive
Mr. B H Kothari	Rs.4,00,000	Nil	Nil	Nil

The Company has not paid any remuneration to its non-executive directors during the financial year 2008-09 other than the sitting fees for the Board/Committee meetings. The Company does not have any Stock Option Scheme.

#### 4. Directors' Sitting fees

Sitting fees for the Board/Committee meetings and the details are furnished hereunder:

(Amount in Rs.)

Name of the Directors	Sitting Fees Paid
Mr.P.S.Gopalakrishnan	50,000
Dr.P.S.Mani Sundaram	50,000
Mr.P.N.Devarajan	25,000
Mr.N.Chandramouli	10,000

#### 5. Annual General Meeting

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

Year	Venue	Date	Day	Time
2007-08	The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014.	19.09.2008	Friday	10.00 A.M.
2006-07		27.09.2007	Thursday	11.30 A.M.
2005-06		19.09.2006	Tuesday	11.00 A.M.

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

Date	Whether any Special Resolution was passed	Particulars
19.09.2008	03	Appointment Mr.N.Chandramouli, Director to hold office as 'an Advisor to the Company'
		Consent for Corporate Guarantee given to Indian Bank, to facilitate Cane Growers to avail Crop Loan from the Bank.
		Re-appointment of Mr.B.H.Kothari, as Managing Director of the company, effective from 01-10-2008 for a period of 5 years
27.09.2007	No	-
19.09.2006	01	Fixation of remuneration to Mr.B.H.Kothari, Chairman & Managing Director

#### 7. Postal Ballot

During the financial year 2008-2009 the following special resolution was passed through Postal Ballot.

A Special resolution was passed through postal ballot vide Notice dated 23-June-2008 for inter-corporate loans and investments under section 372A of the Companies Act, 1956 beyond 60% of paid-up capital and free reserves or 100% of free reserves whichever is higher with the over all maximum limit of Rs.150 Crores.

#### 8. Disclosures

During the financial year 2008-2009, the Audit Committee and the Board considered periodically the statement of related party transactions with details together with the basis at their meetings. However, the Company had no materially significant related-party transactions, which are considered to have potential conflict with the interests of the Company at large. As required by the Accounting Standard AS-18 and Clause 49(A) of Listing Agreement entered into with NSE, the details of related party transactions are given as a schedule in Notes to accounts, which is forming part of accounts.

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

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

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

**9. Management Discussion and Analysis Report**

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

**10. Communication**

The Quarterly, Half Yearly and Annual financial results are published in The Malai Murasu and The Financial Express, Chennai. The financials and other important events are also posted in the Company's website at [www.hckotharigroup.com](http://www.hckotharigroup.com).

As per Clause 51 of the listing Agreement financials and quarterly compliance reports on corporate governance are being filed on Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatics Centre (NIC).

**11. General Shareholder Information**

**Annual General Meeting**

Day, Date and Time : Thursday, September 24, 2009 at 11.00 A.M.

Venue : The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K Road, Chennai-14

**12. Financial Calendar of the Company**

The financial year covers the period from 1<sup>st</sup> April to 31<sup>st</sup> March.

Financial Reporting for 2009-2010 (Tentative)

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

**13. Date of Book Closure**

The period of book closure is fixed from Friday, 18-September-2009 to Thursday, 24-September-2009 (both day inclusive)

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

Not applicable.

**15. Listing Particulars**

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 2009-10 has been paid. The company has made application to The Calcutt Stock Exchange Association Limited, Kolkatta for voluntary delisting.

**(Stock Code KOTARISUG)**



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

(Rs. Ps.)

Month	High	Low	Month	High	Low
April 2008	16.00	10.10	October 2008	9.85	5.50
May 2008	15.40	12.10	November 2008	7.00	4.75
June 2008	12.75	9.85	December 2008	7.55	4.45
July 2008	12.50	8.95	January 2009	7.50	5.60
August 2008	14.30	10.85	February 2009	6.45	5.35
September 2008	12.40	8.45	March 2009	5.60	4.55

**17. Registrar and Share Transfer Agents**

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

**18. Distribution of Shareholding**

No. of Equity Shares held	No. of Shareholders	No. of Shares
Upto 5000	26,026	35,47,856
5001-10000	3,381	29,75,051
10001-20000	1,684	27,18,147
20001-30000	548	14,37,266
30001-40000	265	9,70,186
40001-50000	298	14,39,064
50001-100000	313	23,78,106
100001 and above	257	6,74,22,904
<b>Total</b>	<b>32,772</b>	<b>8,28,88,580</b>

**19. Shareholding Pattern**

Sl. No.	Category	No. of Holders	No. of Shares	% of Shares
1.	Resident Indians	31,977	1,87,39,768	22.61
2.	Domestic Companies	664	85,58,165	10.32
3.	NRIs	102	2,65,019	0.32
4.	Promoters	6	4,59,94,076	55.49
5.	Directors & Relatives	3	39,145	0.05
6.	Mutual Funds	7	325	0.00
7.	Financial Institutions	13	92,92,082	11.21
	<b>Total</b>	<b>32,772</b>	<b>8,28,88,580</b>	<b>100.00</b>

**20. De-materialisation of Shares**

As on March 31, 2009, 8,27,78,132 shares representing 99.87 % of the Company's total shares were held in dematerialized form and the balance shares were held in physical form.

**ISIN No.INE419A01022**

**21. Plant Locations & Addresses**

**Kattur** Kattur Railway Station, Lalgudi Taluk, Trichy District, Tamilnadu - 621 601.  
Phone Nos. : 0431-2541224, 2541350, Fax No. : 0431-2541451

**Sathamangalam** Sathamangalam Village, Vetriyur Post, Via - Keezhpalur, Ariyalur Taluk,  
Perambalur District, Tamilnadu - 621 707.  
Phone Nos: 04329-320800, Fax No:04329-209730

**22. Contacts**

**Company's Registered Office**

The Company Secretary  
Kothari Sugars and Chemicals Limited  
Kothari Buildings, No. 115, Mahatma Gandhi Salai  
Nungambakkam, Chennai - 600 034  
Tel. 044-30225507, 30225616  
Fax No. : 044-28334560  
email : [investorskscl@hckgroup.com](mailto:investorskscl@hckgroup.com)

**Company Share Transfer Agent**

Cameo Corporate Services Limited  
Unit: Kothari Sugars and Chemicals Limited  
Subramanian Building, 5<sup>th</sup> Floor,  
No.1, Club House Road, Chennai - 600 002  
Tel. 044 - 28460390 to 28460394  
Fax No. : 044-28460129  
email : [investors@cameoindia.com](mailto:investors@cameoindia.com)

On behalf of the Board  
for **Kothari Sugars and Chemicals Limited**

Place : Chennai  
Date : July 24, 2009

**B.H. Kothari**  
Chairman and Managing Director

**DECLARATION**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the members of the Board and the senior management have affirmed compliance with the code of conduct for the year ended March 31, 2009.

Place : Chennai  
Date : July 24, 2009

**B.H. Kothari**  
Chairman and Managing Director

**CERTIFICATE UNDER SUB CLAUSE V OF CLAUSE 49 OF LISTING AGREEMENT**

We, B.H.Kothari, Chairman & Managing Director and N.S.Rangachari, Vice President (Finance) of the Company hereby confirm and certify that:

- a. We have reviewed financial statements and the Cash Flow Statement for the year 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
- significant changes in internal control over financial reporting during the year
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 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

**B.H.Kothari**

**N.S.Rangachari**

Date : July 24, 2009

Chairman and Managing Director

Vice President - Finance

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Member of Kothari Sugars & Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Kothari Sugars & Chemicals Limited, for the year ended March 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

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

In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

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

Place: Chennai

Date : July 24, 2009

**R.Rajaram**  
Partner  
M.No.25210

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**REPORT OF THE AUDITORS TO THE MEMBERS OF KOTHARI SUGARS AND CHEMICALS LIMITED**

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

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

Place: Chennai  
Date : July 24, 2009

**R.Rajaram**  
Partner  
M.No.25210

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

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
3. Fixed assets disposed off during the year do not affect the concept of going concern.
4. Inventories were physically verified during the year by the management at reasonable intervals.

In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management was reasonable and adequate in relation to the size of the Company and the nature of its business.

In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

5. The Company has granted an advance to a Company, covered in the register maintained under Section 301 of the Companies Act, 1956. The cumulative amount involved was Rs.146.59 Lakhs and year end balance was Rs.9.96 Lakhs.

According to the information and explanations given to us the interest terms and condition of the loan availed are not prima-facie prejudicial to the interest of the Company.

Advances are not over due.

6. The Company has taken an advance from a company covered in the register maintained under Section 301, of the Companies Act, 1956. The cumulative advance was Rs.70 Lakhs and year end balance was Rs.Nil.

According to the information and explanations given to us the interest terms and condition of the loan availed are not prima-facie prejudicial to the interest of the Company.

The advances have been repaid during the year.

7. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and there was no continuing failure to correct any major weakness.
8. In our opinion and according to the explanations given to us, transactions made in pursuance of contracts or arrangements requiring entry in the registers maintained under Section 301 of the Companies Act, 1956 have been so entered.

Transactions exceeding Rs.5 Lakhs made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.

9. The Company has no fixed deposits requiring compliance of provisions of Section 58 and 58 AA or any other relevant provisions of the act.
10. The Internal Audit function has been carried out by a firm of Chartered Accountants and is commensurate with the size of the company and the nature of its business.

11. We have broadly reviewed the books and records maintained by the company relating to the manufacture of Sugar and Industrial Alcohol, pursuant to the order made by the Central Government for the maintenance of Cost records under Section 209(1)(d) of the Companies Act, 1956, and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained for the period under audit. We have not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product manufactured by the company.
12. According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Income Tax, Sales Tax, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess and any other statutory dues with the appropriate authorities during the year.

According to the information and explanations given to us, Purchase Tax and Sales Tax amounting to Rs.1428.31 Lakhs has been in arrears for a period exceeding six months from the date they became payable. The company has appealed to the authorities in terms of the AAIFR order dated 17.06.2004 in respect of these liabilities.

According to the information and explanations given to us, the following are the dues in respect of Customs Duty, Income Tax and Excise Duty, which have not been deposited on account of disputes and there are no such dues in respect of Wealth Tax and Service Tax.

( Rs. in Lakhs )

Sl.No.	Nature of dues	Forum Where Disputed	Amount Unpaid
1.	Central Excise	Joint Commissioner of Central Excise	17.87
2.	Central Excise	CESTAT	186.86
3.	Central Excise	High Court	70.80
4.	Customs	Commissioner Appeals	73.39
5.	Income Tax	Deputy Commissioner of Appeals	178.65

13. The accumulated losses of the Company have not exceeded fifty per cent of net worth at the end of the year. The Company has not incurred any cash loss during the year and in the immediately preceding financial year.
14. The Company has not defaulted in the dues payable to financial institutions, banks and debenture holders during the financial year.
15. The Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
16. In our opinion and according to the information and explanations given to us the Company is dealing in, trading in shares, debentures and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made there in. The shares, debentures and other securities have been held by the company.
17. In our opinion and according to the information and explanations given to us the Company has given guarantee for the loans taken by its farmers from banks and financial institutions during the financial year but the loans are not outstanding at the end of the year.

18. To the best of our knowledge and belief and according to the information and explanations given to us, new term loan availed by the Company during the year have been applied for the purposes for which loans were obtained
19. According to the Cash Flow Statement and other records examined by us and the information and explanations given to us, no short-term funds have been raised during the financial year.
20. The company has not allotted shares during the financial year to companies covered in the register maintained under Section 301, Companies Act, 1956.
21. According to the information and explanations given to us and the records examined by us, no new debentures have been issued during the year.
22. According to the information and explanations given to us and the records examined by us there has been no public issue of shares and hence verification of end use does not arise.
23. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the financial year.

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

Place: Chennai  
Date : July 24, 2009

**R.Rajaram**  
Partner  
M.No.25210

(Rs. in Lakhs)

B A L A N C E  S H E E T	Schedule		As at	
			31-Mar-09	31-Mar-08
<b>SOURCES OF FUNDS</b>				
Shareholders' Funds				
	a. Capital	1	<b>9,513.86</b>	9,613.89
	b. Reserves & Surplus	2	<b>442.29</b>	358.12
			<b>9,956.15</b>	9,972.01
Loan Funds				
	a. Secured Loans	3	<b>16,386.29</b>	16,794.72
	b. Unsecured Loans	4	<b>2,024.46</b>	1,834.71
			<b>18,410.75</b>	18,629.43
	<b>Total</b>		<b>28,366.88</b>	28,601.44
<b>APPLICATION OF FUNDS</b>				
Fixed Assets				
	a. Gross Block	5	<b>30,496.63</b>	28,532.42
	b. Less : Depreciation		<b>10,302.57</b>	9,008.96
	Net Block		<b>20,194.06</b>	19,523.46
	Capital Work in Progress including advances		<b>639.56</b>	693.46
			<b>20,833.62</b>	20,216.92
Investments				
		6	<b>1,260.30</b>	4,934.99
Current Assets, Loans & Advances				
	a. Inventories	7	<b>6,625.25</b>	5,358.01
	b. Sundry Debtors		<b>544.18</b>	1,018.19
	c. Cash and Bank Balances		<b>4,550.68</b>	5,095.62
	d. Loans & Advances		<b>2,930.84</b>	2,847.69
			<b>14,650.95</b>	14,319.51
Less : Current Liabilities & Provisions				
	a. Current Liabilities	8	<b>7,975.25</b>	10,476.84
	b. Provisions		<b>402.74</b>	393.14
			<b>8,377.99</b>	10,869.98
	Net Current Assets (7-8)		<b>6,272.96</b>	3,449.53
	<b>Total</b>		<b>28,366.88</b>	28,601.44
Significant Accounting Policies				
		16		
Notes on Accounts				
		17		

Schedules 1 to 8, 16 & 17 form part of this Balance Sheet

This the Balance Sheet referred to in our report of even date

For and on behalf of the Board

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

**B H Kothari**  
Chairman & Managing Director

**P S Gopalakrishnan**  
Director

**R Rajaram**  
Partner  
M.No.25210

Place : Chennai  
Date : July 24, 2009

**PR Ramanathan**  
Company Secretary



# KOTHARI SUGARS AND CHEMICALS LIMITED



		(Rs. in Lakhs)		
		Schedule		
		As at		
		31-Mar-09	31-Mar-08	
<b>INCOME</b>				
Sales (Gross)	9	27133.91	27266.49	
Less : Excise duty		<u>1324.28</u>	<u>1690.76</u>	
Sales (Net)		<u>25809.63</u>	<u>25575.73</u>	
Other Income	10	<u>1758.60</u>	<u>1474.47</u>	
Total		<u>27568.23</u>	<u>27050.20</u>	
<b>EXPENDITURE</b>				
Materials Consumed	11	20429.88	19849.45	
Manufacturing and Other Expenses	12	6210.14	5524.40	
Increase/(Decrease) in Stock of Finished Goods & WIP	13	<u>(1,457.48)</u>	<u>(915.69)</u>	
Total		<u>25182.54</u>	<u>24458.16</u>	
<b>Profit before Interest and Depreciation</b>		<b>2385.69</b>	2592.04	
Interest	14	545.71	487.72	
Depreciation		<u>1,297.67</u>	<u>954.36</u>	
<b>Profit/(Loss) for the year before exceptional item</b>		<b>542.31</b>	1149.96	
Less : Exceptional items	15	427.52	0.00	
<b>Profit/(Loss) for the year before Tax</b>		<b>114.79</b>	1149.96	
Less : Tax Adjustments		13.32	131.03	
Less : Fringe Benefit Tax		17.30	17.87	
<b>Profit/(Loss) for the year after Tax</b>		<b>84.17</b>	1001.06	
Less : Transfer to Debenture Redemption Reserve		<u>75.00</u>	<u>75.00</u>	
		9.17	926.06	
<b>Add : Balance brought forward</b>		<b>0.00</b>	(867.94)	
Transferred to Capital Redemption Reserve		<u>9.17</u>	<u>58.12</u>	
<b>Balance carried to the Balance Sheet</b>		<b>0.00</b>	0.00	
Earnings per share - Basic & Diluted (Rs.):		<b>0.10</b>	1.21	
- Face value of Rs. 10				
- Before Exceptional item				
Significant Accounting Policies	16			
Notes on Accounts	17			

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Schedules 9 to 17 form part of this Profit & Loss Account

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

For and on behalf of the Board

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

**B H Kothari**  
Chairman & Managing Director

**P S Gopalakrishnan**  
Director

**R Rajaram**  
Partner  
M.No.25210

Place : Chennai  
Date : July 24, 2009

**PR Ramanathan**  
Company Secretary

(Rs. in Lakhs)

C A S H  F L O W	As at	
	31-Mar-09	31-Mar-08
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / ( Loss) after Extra-ordinary items	114.79	1,149.96
<b>Adjustments for :</b>		
Depreciation	1,297.67	954.36
Provision for diminution in value of short term investments	-	-
Interest Received	(364.87)	(372.55)
Dividend Income	(82.09)	(338.35)
Interest paid	545.71	487.72
MF Income	(11.22)	(257.36)
	<b>1,385.20</b>	<b>474.69</b>
<b>Operating Profit before Working Capital changes</b>	<b>1,499.99</b>	<b>1,624.65</b>
Trade Debtors and Other Receivables	474.01	(633.24)
Loans and Advances	(29.15)	380.01
Inventories	(1,267.24)	(2,443.94)
Trade Payables	(2,522.61)	3,511.80
	<b>(3,344.99)</b>	<b>814.63</b>
<b>Cash Generation from Operations</b>	<b>(1,845.00)</b>	<b>2,439.28</b>
Less: Direct Taxes paid	54.01	17.87
<b>Net Cash Generation from Operating Activities - A</b>	<b>(1,899.01)</b>	<b>2,421.41</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,968.27)	(16,107.82)
Capital Work in Progress	53.90	14,058.41
Redemption of Investments	3,674.69	-
Interest Received	364.87	372.55
Dividend Income & MF Income	82.08	595.71
Purchase / Sale of Investments (Net)	11.22	(2,760.81)
<b>Net Cash from investing activities - B</b>	<b>2,218.49</b>	<b>(3,841.96)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redemption of preference share capital	(100.03)	(74.97)
Secured Loans	(408.43)	1,376.69
Unsecured Loans	189.75	(648.04)
Interest Paid	(545.71)	(487.72)
<b>Net Cash used in Financing activities - C</b>	<b>(864.42)</b>	<b>165.96</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents - A+B+C</b>	<b>(544.94)</b>	<b>(1,254.59)</b>
Cash & Cash equivalents at the beginning of the year	5,095.62	6,350.21
Cash & Cash equivalents at the close of the year	<b>4,550.68</b>	<b>5,095.62</b>
	<b>544.94</b>	<b>1,254.59</b>

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

For and on behalf of the Board

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

**B H Kothari**  
Chairman & Managing Director

**P S Gopalakrishnan**  
Director

**R Rajaram**  
Partner  
M.No.25210

Place : Chennai  
Date : July 24, 2009

**PR Ramanathan**  
Company Secretary

# KOTHARI SUGARS AND CHEMICALS LIMITED



		31-Mar-09	(Rs. in Lakhs) 31-Mar-08
<b>Schedule 1</b>			
<b>AUTHORISED SHARE CAPITAL</b>			
130,000,000	Equity shares of Rs.10 each	13,000.00	13,000.00
1,200,000	Redeemable Preference shares of Rs.100 each	1,200.00	1,200.00
2,000,000	Redeemable Preference shares of Rs.10 each	200.00	200.00
<b>Total</b>		<b>14,400.00</b>	<b>14,400.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>			
<b>Redeemable Preference Share Capital</b>			
1,200,000	Zero Percent Redeemable Preference shares of Rs.100 each fully paid	1,200.00	1,200.00
<b>Less:</b> Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004		150.00	64.26
<b>Balance (a)</b>		<b>1,050.00</b>	<b>1,135.74</b>
Of the above 250000 Preference Shares are held by the Holding Company			
2,000,000	Zero Percent Redeemable Preference shares of Rs.10 each fully paid	200.00	200.00
<b>Less:</b> Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004		25.00	10.71
<b>Balance (b)</b>		<b>175.00</b>	<b>189.29</b>
<b>Total (a+b)</b>		<b>1,225.00</b>	<b>1,325.03</b>
<u>These will be redeemed as under:</u>			
50% of the face value of preference shares in 28 equal quarterly instalments commencing from 17.09.2007			
50% of the face value of preference shares in 8 equal quarterly instalments commencing from 17.09.2014			
<b>Equity Share Capital</b>			
82,888,580	Equity shares of Rs.10 each fully paid {Of the above holding company holds 4,58,90,000 shares (previous year 4,74,02,697)}	8,288.86	8,288.86
<b>Total</b>		<b>9,513.86</b>	<b>9,613.89</b>
<b>Schedule 2</b>			
<b>RESERVES &amp; SURPLUS</b>			
Capital Redemption Reserve (Refer Schedule 17(3))		58.12	58.12
Add : Additions during the year		9.17	-
		<b>67.29</b>	<b>58.12</b>
<b>Debenture Redemption Reserve</b>			
As per last Balance Sheet		300.00	225.00
Add : Additions during the year		75.00	75.00
		<b>375.00</b>	<b>300.00</b>
<b>Total</b>		<b>442.29</b>	<b>358.12</b>
<b>Schedule 3</b>			
<b>SECURED LOANS</b>			
<b>Debentures</b>			
2,031,018	Zero Coupon Bonds of Rs.100/- each redeemable at par in equal quarterly instalments from 4 <sup>th</sup> (2007-2008) to 10 <sup>th</sup> year (2013-2014)	2,031.02	2,031.02
<b>Less :</b> Amount paid towards redemption in quarterly instalments as per AAIFR order dated 17.06.2004		507.76	217.83
		<b>1,523.26</b>	<b>1,813.19</b>
Of the above Rs.877.45 Lakhs (Previous year Rs.1044.58 Lakhs) is due to the Holding Company			

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		31-Mar-09	31-Mar-08
	2,031,017 Zero Coupon Bonds of Rs.100/- each redeemable at par at the end of 25 <sup>th</sup> year (2029 - 2030) Of the above Rs.1533.44 Lakhs is due to the Holding Company [Refer Schedule 17 (1)]	<b>2,031.02</b>	2,031.02
	<b>Term Loans</b>		
	Banks [Refer Schedule 17(2)(b)]	<b>4,753.54</b>	4,734.50
	Sugar Development Fund - Govt. of India [Refer schedule 17 (2) (a)]	<b>6,627.75</b>	5,926.20
	<b>Total</b>	<b>11,381.29</b>	10,660.70
	<b>Other Loans</b>		
	Cash Credit Loan from Bank	-	706.54
	Holding Company [Refer Schedule 17 (2) (d)]	<b>1,437.09</b>	1554.62
	Hire Purchase Loans (Secured against Vehicles)	<b>13.62</b>	28.65
	<b>Total</b>	<b>1,450.71</b>	2,289.81
	<b>Total</b>	<b>16,386.29</b>	16,794.72
	<b>Schedule 4</b>		
	<b>UNSECURED LOANS</b>		
	Interest-free Sales Tax Loan under IFST Scheme	-	187.02
	Inter Corporate Loan	<b>1,090.51</b>	1,179.53
	Agriculture Loan & Irrigation Loan	<b>933.95</b>	468.16
	<b>Total</b>	<b>2,024.46</b>	1,834.71

**Schedule 5**  
**FIXED ASSETS**

Description:	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2008	Additions / Adjustment	Deductions	As at 31.03.2009	As at 01.04.2008	For the year	Deductions	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008	
Land	365.48	-	3.81	361.67	-	-	-	361.67	361.67	365.48	
Buildings	3,015.89	26.89	-	3,042.78	485.24	90.51	-	575.75	2,467.03	2,530.65	
Plant & Machinery	24,761.17	1,944.47	-	26,705.64	8,390.81	1,182.40	-	9,573.21	17,132.43	16,370.36	
Vehicles	132.86	0.08	7.24	125.70	49.59	12.26	4.06	57.79	67.91	83.27	
Furniture & Fittings	183.32	3.82	-	187.14	73.56	8.82	-	82.38	104.76	109.76	
Leased Vehicles	73.70	-	-	73.70	9.76	3.68	-	13.44	60.26	63.94	
Sub Total	28,532.42	1,975.26	11.05	30,496.63	9,008.96	1,297.67	4.06	10,302.57	20,194.06	19,523.46	
Capital WIP including advances*	693.46	653.49	707.39	639.56	-	-	-	-	639.56	693.46	
Total	29,225.88	2,628.75	718.44	31,136.19	9,008.96	1,297.67	4.06	10,302.57	20,833.62	20,216.92	
Previous Year	27,176.48	17,383.10	15,333.70	29,225.87	8,057.77	954.36	3.17	9,008.96	20,216.92	19,118.71	

\* Refer Schedule 16 (2)

**Schedule 6**  
**INVESTMENTS**

**A LONG TERM INVESTMENTS**

	31-Mar-09	31-Mar-08
	Cost	Cost
Government Securities - Unquoted		
Indira Vikas Patra ( Face Value Rs.9,000)	<b>0.06</b>	0.06
<b>Total</b>	<b>0.06</b>	0.06

**Subsidiary Companies**

Equity Shares - Unquoted		
999,950 Kothari International Trading Ltd - Rs.10 Each	<b>99.98</b>	99.98
<b>Total</b>	<b>99.98</b>	99.98

# KOTHARI SUGARS AND CHEMICALS LIMITED



(Rs. in Lakhs)

As at		Equity Shares - Quoted	As at	
31-Mar-09	31-Mar-08		31-Mar-09	31-Mar-08
Nos.	Nos.		Cost	
12,019,000	12,019,000	Kothari Petrochemicals Ltd of Rs 10 each	1,201.90	1,201.90
-	60,000	Seahorse Hospitals Ltd of Rs 10 each	-	6.00
5,000	5,000	Gujarat Petrosynthese Ltd of Rs 10 each	2.50	2.50
200	-	ABB Limited ( Rs 2 each)	2.54	-
3000	-	Ambuja Cements Ltd ( Rs 2 each)	4.11	-
700	-	Bank of India ( Rs 10 each)	2.41	-
550	-	Bharat Heavy Electrical Ltd - ( Rs 10 each)	12.07	-
500	-	Bharti Airtel Limited ( Rs 10 each)	4.97	-
700	-	Cesc Ltd -( Rs 10 each)	3.82	-
600	-	Cummins India Ltd - ( Rs 2 each)	2.30	-
475	-	DLF Ltd ( Rs 2 each)	4.36	-
1894	-	Federal Bank	5.75	-
5200	-	GMR Infrastructure ( Rs 2 each)	10.95	-
1800	-	HCL Infosystems Ltd ( Rs 2 each)	3.82	-
1000	-	IDFC ( Rs 10 each)	2.11	-
5800	-	IFCI ( Rs 10 each)	4.23	-
1000	-	Indian Hotels ( Rs 1 each)	1.26	-
900	-	Jaiprakash Associates Ltd - ( Rs 10 each)	3.63	-
824	-	Larsen & Toubro Ltd - ( Rs 2 each)	27.11	-
300	-	Mahindra and Mahindra Ltd - ( Rs 10 each)	2.55	-
300	-	Mundra Port ( Rs 10 each)	3.01	-
2700	-	NTPC Ltd ( Rs 10 each)	7.00	-
2500	-	Powergrid ( Rs 10 each)	3.61	-
1350	-	Prakash Industries ( Rs 10 each)	4.24	-
1850	-	Punj Lloyd Limited ( Rs 2 each)	7.29	-
1800	-	Rajesh Export ( Rs 1 each)	0.00	-
1000	-	Reliance Communications Limited fv - 5	6.45	-
1026	-	Reliance Industries Ltd - ( Rs 10 each)	25.84	-
1500	-	Reliance Natural Resources ( Rs 10 each)	2.28	-
2000	-	Reliance Petroleum ( Rs 10 each)	3.70	-
750	-	Reliance Power Ltd ( Rs 10 each)	2.90	-
700	-	Siemens Ltd - ( Rs 2 each)	5.02	-
500	-	Tata Consultancy Services Ltd ( Rs 1 each)	4.93	-
750	-	Tata Motors Ltd - ( Rs 10 each)	5.26	-
			<b>1,383.93</b>	<b>1,210.40</b>

## Equity Shares - Unquoted

50,000	50,000	Bio- Tech Consortium Ltd - Rs.10 each	5.00	5.00
20	2,240,020	Kothari Bio- Tech Ltd - Rs.10 each	0.00	336.00
2,086	2,086	Kothari Sugars & Chemicals Ltd - Employees Cooperative Society Ltd of Rs.10 each	0.20	0.20
			<b>5.20</b>	<b>341.20</b>

As at		Mutual Fund	As at	
31-Mar-09	31-Mar-08		31-Mar-09	31-Mar-08
Units	Units		Cost	
47,041.065	-	JM Basic Fund-Dividend	13.65	-
193,798.450	-	AIG Equity Fund - Dividend	25.00	-
90,941.458	-	Sundaram Capex Opp.- Growth	29.46	-
97,799.511	-	AIG Infrastructure & Economic Reform Fund-D	10.00	-

(Rs. in Lakhs)

S C H E D U L E S	As at		Mutual Fund	As at	
	31-Mar-09	31-Mar-08		31-Mar-09	31-Mar-08
	Units			Cost	
	14,736.065		- Birla Sun Life Front Line Equity Fund-Growth	11.11	-
	243,902.439		- Birla International Equity Plan-B-Div	25.00	-
	254,148.144		- Birla Special Situations Fund-D	25.99	-
	195,599.022		- Fidelity India Growth Fund	20.00	-
	97,560.976		- Fortis China - India Fund	10.00	-
	214,979.792		- Fortis Oppurtunities Fund-D	50.00	-
	99,749.964		- Fortis Sustainable Development Fund-Growth	13.74	-
	40,357.084		- Franklin Flexi Cap Fund-Growth	12.05	-
	12,384.985		- FT India Balanced Fund-Growth	5.61	-
	49,539.983		- FT India Balanced Fund-Growth	22.43	-
	53,649.917		- HDFC Core & Satellte Fund-D	15.14	-
	69,326.814		- HSBC Equity Fund-D	30.00	-
	44,806.079		- HSBC Equity Fund-D	20.00	-
	195,599.022		- ICICI Indo Asia Equity Fund-Dividend	20.00	-
	161,750.529		- LIC MF Index Nifty Fund-D	25.00	-
	99,206.349		- Religare Agile Fund-(Lotus India Agile Fund-D)	10.00	-
	97,799.511		- Religare Agile Fund-(Lotus India Agile Fund-D)	10.00	-
	54,441.612		- SBI MF Contra Fund - Growth	30.92	-
	40,916.530		- Principal Balanced Fund - Div	10.00	-
	136,986.413		- Principal Large Cap Fund-Dividend	36.05	-
	124,750.499		- Principal Resurgent Equity Fund-D	25.00	-
	57,290.990		- Reliance Power Sector Fund-Dividend	31.11	-
	36,459.093		- Reliance Vision Fund-D	25.00	-
	75,697.107		- Sundaram BNP Paribas Select Midcap Fund-D	18.72	-
	77,652.810		- Tata Infrastructure Fund - D	25.75	-
	13,250.309		- Tata Pure Equity Fund-Growth	12.39	-
	84,360.676		- Tata Service Industries Fund - Growth	21.63	-
	54,914.882		- Taurus Infra Tips	10.00	-
	131,717.597		- UTI Nifty Index Fund-D	50.00	-
	78,152.727		- Fidelity Equity Fund - Growth	23.61	-
	146,699.267		- Franklin Asian Equity Fund	15.00	-
	50,867.115		- Franklin Flexicap Fund-Growth	15.00	-
	9,691.276		- Franklin Flexicap Fund-Growth	2.89	-
	243,887.494		- Franklin High Growth Co.Fund-Growth	31.36	-
	97,799.511		- Lotus Agile Fund	10.00	-
	97,555.048		- Lotus Growth Fund-Growth	11.89	-
	146,206.583		- Lotus Equity Fund-Growth	16.99	-
	243,887.494		- Reliance Equity Adv. Fund-Growth	30.87	-
	7,219.218		- Reliance Vision Fund-Growth	18.61	-
				<u>876.97</u>	<u>-</u>
			Total Long Term Investments	2,366.14	1,651.64
			<b>Less:</b>		
			Provision for diminution in value of Long Term Investments	1,280.60	1,532.34
			<b>Total Long Term Investments - A</b>	<u>1,085.54</u>	<u>119.30</u>

## B. Current Investments

As at		Mutual Fund	(Rs. in Lakhs)	
31-Mar-09	31-Mar-08		31-Mar-09	31-Mar-08
Units			As at	Cost
112,275.449		- Fortis Oppurtunities Fund-D	6.52	0.00
51,519.835	53,649.917	HDFC Core & Satelliata Fund-Dividend	5.65	10.11
36,523.009	40,916.530	Principal Balanced Fund - Divividend	3.28	5.27
41,425.021	77,652.810	Tata Infrastructure Fund - Dividend	5.30	17.52
60,011.042	131,717.597	UTI Nifty Index Fund-Dividend	5.82	20.03
682.161		- Mirae Asset Cash Management Fund	6.87	-
53,310.758		- HDFC Cash Management Treasury Advantage Plan-Wd	5.34	-
2,023.000		- Principal Cash Management Fund	0.34	-
-	97,560.976	ABN Amro China - India Fund-Dividend	-	7.80
-	214,979.792	ABN Amro Oppurtunities Fund-Dividend	-	26.79
-	3,500,000.000	ABN Amro QIF Series-K-Growth	-	350.00
-	99,749.964	ABN Amro Sustainable Development Fund-Growth	-	10.51
-	193,798.450	Aig Equity Fund - Dividend	-	19.11
-	97,799.511	Aig Infrastructure & Economic Reform Fund-Dividend	-	8.37
-	10,000.000	Aig Short Term Fund Inst-Growth	-	100.00
-	243,902.439	Birla International Equity Plan-B-Dividend	-	20.28
-	468,509.157	Birla Mip - Plan C -Growth	-	97.73
-	254,148.144	Birla Special Situations Fund-Dividend	-	21.77
-	14,736.065	Birla Sun Life Front Line Equity Fund-Growth	-	9.08
-	306,938.235	BSL Interval Income-Instl-Monthly-Series-I-Dividend	-	30.69
-	982,618.978	BSL QlIt Interval -Series-4-Growth	-	100.51
-	1,000,000.000	BSL Quarterly Interval Series 5-Growth	-	100.00
-	203,147.370	DBS Chola Freedom Income Stp-Inst-Cumm-Org	-	26.38
-	12,453.939	DSP ML Top 100 Equity Fund - Growth	-	8.82
-	2,445,852.907	DWS Liquid Plus Fund-Growth	-	320.89
-	96,251.023	Fidelity Liquid Plus Fund-Retail- Growth	-	10.00
-	78,152.727	Fidelity Equity Fund - Growth	-	18.87
-	195,599.022	Fidelity India Growth Fund-Dividend	-	16.14
-	146,699.267	Franklin Asian Equity Fund-Dividend	-	13.15
-	100,915.475	Franklin Flexicap Fund-Growth	-	22.80
-	243,887.494	Franklin High Growth Co.Fund-Growth	-	23.99
-	61,924.968	FT India Balanced Fund-Growth	-	23.47
-	191,075.717	FT. India Mip-Plan A	-	43.76
-	344,712.034	HDFC Cash Mgmt Fund-Savings Plus Pln-Wholesale-Growth	-	60.75
-	711,085.714	HDFC Cash Mgmt Fund-Savings Plus Pln-Wholesale-Growth	-	125.29
-	139,208.499	HDFC Cash Management Savings Plus -Wholesale-Daily Dividend	-	13.96
-	4,158.661	HDFC Equity Fund-Dividend	-	1.59
-	4,299.319	HDFC Equity Fund-Growth	-	7.13
-	114,132.893	HSBC Equity Fund-Dividend	-	31.53
-	2,287,305.248	HSBC Liquid Plus Fund - Inst-Growth	-	257.18
-	1,005,453.237	HSBC-Fmp-90 Days-Dividend	-	100.55
-	195,503.421	ICICI Indo Asia Equity Fund-Dividend	-	17.15

S C H E D U L E S	As at		Mutual Fund	(Rs. in Lakhs)	
	31-Mar-09	31-Mar-08		As at	31-Mar-08
		Units		31-Mar-09	Cost
	-	179,641.579	ING Income Fund-Short Term Plan-Growth	-	25.00
	-	48,099.455	JM Basic Fund-Dividend	-	9.57
	-	170,000.000	JM Interval Fund-Quarterly Plan 6- Growth	-	17.00
	-	161,750.529	LIC MF Index Nifty Fund-Dividend	-	16.56
	-	1,127,711.090	LIC MF Liquid Plus Fund-Growth	-	120.78
	-	294,805.371	Lotus Agile Fund-Dividend	-	21.40
	-	146,206.583	Lotus Equity Fund-Growth	-	14.05
	-	97,555.048	Lotus Growth Fund-Growth	-	9.89
	-	500,000.000	Lotus India Fmp-13 Months-Series-III- Institutional -Growth	-	50.00
	-	258,000.867	Lotus India Mf QIF - Plan-E-Dividend	-	25.80
	-	937,536.310	Lotus Liquid Fund-Retail Growth	-	103.35
	-	4,885.436	Mirae Liquid Plan Regular -Growth	-	49.00
	-	10,000.000	Mirae Liquid Plus Fund-Growth	-	100.00
	-	136,986.413	Principal Large Cap Fund-Dividend	-	22.86
	-	124,750.499	Principal Resurgent Equity Fund-Dividend	-	14.75
	-	243,887.494	Reliance Equity Adv. Fund-Growth	-	24.49
	-	15,561.550	Reliance Liquid Fund Treas Plan Weekly Dividend	-	2.38
	-	11,242.850	Reliance Liquid Plus Fund-Ip-Growth	-	159.39
	-	138,158.657	Reliance Liquidity Fund-Daily Dividend	-	13.82
	-	57,290.990	Reliance Power Sector Fund-Dividend	-	24.16
	-	37,343.631	Reliance Vision Fund-Dividend	-	17.45
	-	10,550.192	Reliance Vision Fund-Growth	-	21.69
	-	54,441.612	SBI MF Contra Fund - Growth	-	24.85
	-	900,000.000	SBI MF SDFS-30 Days-Growth	-	90.00
	-	1,129,354.139	Standard Chartered FMP-Dividend	-	113.27
	-	75,697.107	Sundaram BNP Paribas Select Mid cap Fund-Dividend	-	13.07
	-	90,941.458	Sundaram Capex Opp.- Growth	-	20.62
	-	1,000,000.000	Tata Fixed Income Portfolio Fund-Scheme A3	-	100.00
	-	253,847.774	Tata Floater Fund-Growth	-	30.43
	-	577,891.206	Tata Floating Rate Fund Long Term Growth	-	70.07
	-	7,746.454	Tata Liquid High Investment Fund-Growth	-	115.69
	-	13,250.309	Tata Pure Equity Fund-Growth	-	9.75
	-	84,360.676	Tata Service Industries Fund - Growth	-	16.56
	-	54,914.882	Taurus Infra Tips-Dividend	-	6.35
	-	14,678.841	Templeton Short Term Income Plan-Growth	-	220.73
	-	22,988.595	Templeton Treasury Management A/C-Regular-Growth	-	460.98
	-	2,000,000.000	UTI Monthly Interval Fund Series-II-Dividend	-	200.00
	-	1,000,000.000	UTI-FMP-HFMP-03/08-Instl-Dividend	-	100.00
				<b>39.12</b>	<b>4,554.73</b>

31-Mar-09	31-Mar-08	Equity Shares - Quoted	As at	
			31-Mar-09	31-Mar-08
	Nos.		Cost	
100	380	ABB Limited ( Rs 2 each)	0.43	4.46
800	-	Amaraja Batteries (Bonus Shares)	0.00	-



# KOTHARI SUGARS AND CHEMICALS LIMITED



(Rs. in Lakhs)

31-Mar-09	31-Mar-08	Equity Shares - Quoted	31-Mar-09	31-Mar-08	S
Nos.			As at		C
			Cost		H
1,000	3,000	Ambuja Cements Ltd ( Rs 2 Each)	0.71	3.63	E
4	-	Asian Paints Limited (Rs 10 Each )	0.03	-	D
476	750	Bharat Heavy Electrical Ltd -( Rs 10 Each)	7.16	15.28	U
825	1,600	Bharti Airtel Limited ( Rs 10 Each)	5.16	13.17	L
12	-	Divi's Laboratories Limited ( Rs 2 Each )	0.11	-	E
104	-	Everest Kanto Cylinder Limited (Rs 2 Each )	0.12	-	S
1375	500	Gail India Ltd ( Rs 10 Each)	3.03	2.12	
1,300	5,200	GMR Infrastructure ( Rs 2 Each)	1.23	7.76	
650	-	Grasim Industries Ltd	10.28	-	
1,160	-	Gujarat NRE Coke (Bonus Shares)	0.00	-	
1,000	2,000	HCL Infostechnologies Ltd ( Rs 2 Each)	0.76	3.19	
6	-	Housing Development Finance Corporation Ltd. (Rs 10 Each )	0.08	-	
35	-	ICICI Bank Ltd (Rs 10 Each )	0.12	-	
8	-	Infosys Technologies Ltd. (Rs 5 Each )	0.10	-	
48	-	ITC Ltd (Rs 1 Each )	0.08	-	
750	1,500	Jaiprakash Associates Ltd -( Rs 10 Each)	0.63	3.40	
3,686	950	Larsen & Toubro Ltd -( Rs 2 Each)	24.76	28.59	
600	3,700	NTPC Ltd ( Rs 10 Each)	1.08	7.26	
150	1,350	Prakash Industries ( Rs 10 Each)	0.07	3.33	
1,750	1,850	Punj Lloyd Limited ( Rs 2 Each)	1.59	5.73	
1,927	2,002	Reliance Communications Limited Fv - 5	3.37	9.84	
3,998	1,293	Reliance Industries Ltd -( Rs 10 Each)	60.83	27.40	
155	375	Reliance Infrastructure ( Rs 10 Each)	0.80	4.69	
2,000	1,500	Reliance Natural Resources ( Rs 10 Each)	0.90	1.49	
2,000	3,100	Reliance Petroleum ( Rs 10 Each)	1.90	4.84	
3,050	750	Reliance Power Ltd ( Rs 10 Each)	3.12	2.38	
2,300	-	Satyam Computers	0.88	-	
250	-	Sesa Goa (Bonus Shares)	0.00	-	
1,200	800	Siemens Ltd -( Rs 2 Each)	3.22	4.93	
31	-	Sterlite Industries ( India ) Limited (Rs 2 Each )	0.11	-	
10	-	Sun Pharmaceuticals Industries Ltd (Rs 5 Each)	0.11	-	
81	-	Sun TV Network Limited (Rs 5 Each )	0.13	-	
234	-	Suzlon Energy Limited (Rs 2 Each )	0.10	-	
300	1,400	Tata Consultancy Services Ltd ( Rs 1 Each)	1.62	11.32	
550	750	Tata Motors Ltd -( Rs 10 Each)	0.99	4.67	
-	1,000	3I Infotech Limited	-	0.99	
-	1,000	Allahabad Bank ( Rs 10 Each)	-	0.77	
-	2,000	Ashok Leyland ( Rs 1 Each)	-	0.71	
-	1,000	Bank of India ( Rs 10 Each)	-	2.52	
-	300	Beml Ltd ( Rs 10 Each)	-	2.98	
-	800	Cesc Ltd -( Rs 10 Each)	-	3.32	
-	900	Cummins India Ltd -( Rs 2 Each)	-	2.80	
-	500	DLF Ltd ( Rs 2 Each)	-	3.23	
-	100	HDFC Ltd ( Rs 10 Each)	-	2.38	
-	1,202	Hindustan Oil Exploration Co Ltd ( Rs 10 Each)	-	1.26	
-	79	ICICI Bank Ltd -( Rs 10 Each)	-	0.61	
-	1,300	IDFC ( Rs 10 Each)	-	1.96	
-	6,000	IFCI ( Rs 10 Each)	-	2.64	
-	416	Indiabulls Securities Limited ( Rs 2 Each)	-	0.91	
-	1,000	Indian Hotels ( Rs 1 Each)	-	1.12	
-	1,200	Infosys Technologies Ltd -( Rs 5 Each)	-	17.27	
-	500	IVRCL Infra ( Rs 2 Each)	-	1.97	
-	300	Mahindra and Mahindra Ltd -( Rs 10 Each)	-	2.06	

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				(Rs. in Lakhs)	
				As at	
31-Mar-09	31-Mar-08	Equity Shares - Quoted	31-Mar-09	31-Mar-08	Cost
		Nos.			
-	1,000	Mangalam Cement (Rs 10 Each)	-		1.37
-	300	Mundra Port (Rs 10 Each)	-		1.73
144	220	Opto Circuits (India) Lim -(Rs 10 Each)	-		-
-	2,500	Powergrid (Rs 10 Each)	-		2.45
-	2,600	Rajesh Export (Rs 1 Each)	-		1.99
-	650	Reliance Capital (Rs 10 Each)	-		7.92
-	295	Sterlite Industries (Rs 2 Each)	-		1.91
-	1,894	The Federal Bank Ltd (Rs 10 Each)	-		4.09
-	2,200	The Great Eastern Shipping Co. Ltd (Rs 10 Each)	-		8.29
-	1,000	Unichem Lab (Rs 5 Each)	-		1.31
-	63	United Phosphorus Eq New Fv 10/-	-		0.17
-	2,500	Wipro Limited (Rs 2 Each)	-		10.76
		<b>Total</b>	<b>135.63</b>		<b>260.95</b>
		<b>Total Current Investments - B</b>	<b>174.75</b>		<b>4,815.68</b>
		<b>Total Investments A + B</b>	<b>1,260.30</b>		<b>4,934.98</b>

Current Investments aggregating to Rs. 7.53 lacs are held under the Portfolio Management

<b>Aggregate of :</b>		
Quoted Investments (Long Term )	1,383.93	1,210.40
Market Value of Quoted Investments(Long Term)	749.58	2,081.53
Quoted Investments (Current Investment)	190.03	315.14
Market Value of Quoted Investments (Current)	135.63	260.95
Unquoted Investments	982.21	441.24

				(Rs. in Lakhs)	
				As at	
31-Mar-09	31-Mar-08	The Following Units are Purchased & Sold	31-Mar-09	31-Mar-08	Cost
		Units / Shares			
-	1,011,374.082	ABN Amro Fixed Term Plan-Series-7-Quarterly Plan-B-Dividend	-		100.00
-	2,000,000.000	ABN Amro Fixed Term Plan-Series-7-Quarterly Plan-D-Dividend	-		200.00
-	100,000.000	ABN Amro Sustainable Development Fund-Dividend	-		10.00
-	97,799.511	AIG India Equity Fund-Dividend	-		10.00
9,905.245	-	AIG India Liquid Fund - Inst - G	<b>105.26</b>		-
3,093,495.501	-	AIG India Treasury Plus Fund - Inst - G	<b>328.61</b>		-
186,460.222	-	AIG India Treasury Plus Fund Retail - G	<b>21.00</b>		-
-	2,500.495	AIG Liquid Fund	-		25.00
2,500.000	-	AIG Quarterly Interval Fund-Series-1-G	<b>25.00</b>		-
2,000.000	-	AIG Quarterly Interval Fund-Series-II-G	<b>20.00</b>		-
19,716.070	-	AIG Short Term Fund Inst-G	<b>200.00</b>		-
-	247,524.752	Bench Mark Equity & Derivatives Oppr Fund-Dividend	-		25.00
-	20,644.164	Bench Mark Deravative Fund-Dividend	-		213.02
24,890.482	-	Birla Advantage Fund - D	<b>25.00</b>		-
-	306,789.963	Birla Cash Magager -lp-Daily Dividend	-		30.69
271,191.654	-	Birla Cash Manager Fund-Growth	<b>58.05</b>		-

# KOTHARI SUGARS AND CHEMICALS LIMITED



(Rs. in Lakhs)

31-Mar-09	31-Mar-08	The Following Units are Purchased & Sold	As at 31-Mar-09	31-Mar-08	S C H E D U L E S
Units / Shares			Cost		
- 293,689.926		Birla Cash Plus - Retail Growth	-	60.00	
- 470,129.470		Birla Cash Plus-IP- Growth	-	100.73	
627,297.185		Birla Floating Rate Fund - LT - G	<b>88.29</b>	-	
- 1,000,000.000		Birla Ftp-Series-12-Dividend	-	100.00	
- 750,000.000		Birla Ftp-Series-14-Dividend	-	75.00	
309,789.343	-	Birla India Gennext Fund - D	<b>50.00</b>	-	
839,419.985	-	Birla Short Term Fund-G	<b>128.99</b>	-	
- 42,069.836		Birla Sun Life Front Line Equity Fund-Dividend	-	10.00	
275,160.178	-	Birla Sun Life Liquid Plus - Inst - G	<b>42.64</b>	-	
751,315.240	-	Birla Sunlife Cash Manager - Instnl.-G	<b>109.70</b>	-	
1,769,244.314	-	Birla Sunlife Dynamaic Bond Fund - Dividend Monthly	<b>183.84</b>	-	
1,670,308.772	-	Birla Sunlife Floating Rate Fund-Lt-G	<b>239.58</b>	-	
843,667.223	-	Birla Sunlife Income Fund - Dividend Qrtly Opt.	<b>100.01</b>	-	
1,087,154.168	-	Birla Sunlife Income Plus Fund - Dividend Qrtly Opt.	<b>120.70</b>	-	
- 222,479.420		Birla Sunlife Liquid Plus - Retail - Fortnightly Dividend	-	25.07	
- 659,935.326		Birla Sunlife Liquid Plus Fund	-	100.00	
- 1,503,648.505		Birla Sunlife Liquid Plus-Instl-Daily Dividend	-	150.47	
1,339,324.437	869,366.369	Birla Sunlife Liquid Plus-Instl-Growth	<b>206.73</b>	125.47	
- 1,000,000.000		Birla Sunlife qty. Interval Fund - Series 1-Dividend	-	100.00	
- 300,000.000		Birla Sunlife qty. Interval Fund - Series 3-Growth	-	30.00	
192,444.888	-	Birla Top 100 Fund-D	<b>31.04</b>	-	
72,759.022	-	BSL Basic Industries Fund - D	<b>26.38</b>	-	
436,091.174	-	BSL Interval Income - Retail - Monthly - Series 1 - D	<b>43.61</b>	-	
809,111.507	-	BSL Interval Income - Retail - Monthly - Series 1 - G	<b>86.30</b>	-	
- 1,000,000.000		BSL Interval IP Monthly-Series 1-Growth	-	100.00	
992,678.165	-	BSL Monthly Interval Income Instl-sr. 2-G	<b>103.66</b>	-	
953,980.005	-	BSL QIP Series-9-Growth	<b>100.00</b>	-	
1,052,234.705	-	BSL Qtly Interval - Series 4 - Dividend Reinvestment	<b>105.22</b>	-	
978,258.776	-	BSL Qtly Interval - Series 4 - Growth	<b>105.22</b>	-	
1,045,684.111	-	BSL Quarterly Interval Series 6-Growth	<b>110.73</b>	-	
668,369.772	-	Canara Robeco Floating Rate Short Term	<b>90.00</b>	-	
500,000.000	-	Canara Robeco Fmp Series 3 - G	<b>50.00</b>	-	
376,903.362	-	Canara Robeco Gilt Pgs Fund-Dividend	<b>50.00</b>	-	
335,849.105	-	Canara Robeco income Dividend (Income) Fund	<b>52.87</b>	-	
753,254.147	-	Canara Robeco Liquid Plus Fund-G	<b>106.89</b>	-	
1,000,000.000	-	Canara Robeco Qip - Plan-2-Series-2-G	<b>100.00</b>	-	
- 1,022,970.000		DBS - Chola Fmp - Series - 7 Quarterly-Plan-1 - Cumulative	-	102.30	
- 1,000,000.000		DBS - Chola Fmp - Series - 7 Quarterly-Plan-1 - Dividend	-	100.00	
- 255,560.000		DBS - Chola Fmp - Series - 7 Quarterly-Plan-2 - Cumulative	-	25.56	
- 600,000.000		DBS - Chola Fmp - Series -7- Quarterly-Plan-3 - Dividend	-	60.00	

				(Rs. in Lakhs)	
S C H E D U L E S			As at		
	31-Mar-09	31-Mar-08	<b>The Following Units are Purchased &amp; Sold</b>		31-Mar-09
		Units / Shares		Cost	
		- 2,706,413.851	DBS Chola Freedom Income Stp-Inst-Cummulative	-	332.91
		- 864,722.770	DBS Chola Short Term Floating Rate -Cummulative	-	100.00
		- 427,222.626	DBS Short Term Floating Rate - Cummulative	-	50.00
	12,360.956	-	DSP Blackrock Cash Plus-Growth	<b>138.00</b>	-
	102,400.262	-	DSP Blackrock Top 100 Equity Fund -Regular- Div	<b>25.00</b>	-
	36,008.953	-	DSP Floating Rate Fund-Growth	<b>5.06</b>	-
	- 5,000.000		DSP MI FTP-Series-1n-Dividend	-	50.00
	39,082.849	58,925.204	DSP ML Top 100 Equity Fund -Dividend	<b>9.42</b>	15.00
	- 39,283.470		DSP ML Top 100 Equity Fund -Growth	-	10.00
	944,835.091	-	DWS Bond Premier-G	<b>98.38</b>	-
	500,000.000	-	DWS Fixed Term Fund-Series-58 - 90days-G	<b>50.00</b>	-
	1,590,013.130	-	DWS Gilt Fund-Institutional- G	<b>173.06</b>	-
	2,388,057.366	-	DWS Insta Cash Plus Fund - Regular - G	<b>332.37</b>	-
	2,395,098.187	2,191,673.468	DWS Insta Cash Plus-Growth	<b>332.07</b>	293.54
	3,785,689.988	-	DWS Liquid Plus Fund - G	<b>503.55</b>	-
	2,761,598.040	2,134,763.876	DWS Money Plus Fund-Growth	<b>332.96</b>	247.00
	1,402,125.506	-	DWS Premier Bond Fund-Institutional- G	<b>143.52</b>	-
	719,734.063	1,684,236.465	DWS Quarterly Interval Fund-Series 1-Growth	<b>80.00</b>	175.00
	1,003,273.142	-	DWS Short Maturity Fund-Instl.-Monthly Dividend	<b>100.33</b>	-
	668,398.314	-	DWS Short Maturity Plan Institutional-G	<b>67.74</b>	-
	- 101,817.441		Fidelity Equity Fund - Dividend	-	20.00
	- 195,599.022		Fidelity International Fund-Dividend	-	20.00
	- 195,110.049		Fidelity International Fund-Growth	-	22.65
	131,853.544		Franklin Flexi Cap Fund-Dividend	-	25.00
	- 244,498.778		Franklin High Growth Co.Fund-Dividend	-	25.00
	- 51,387.726		Franklin India Index Fund-Nifty Plan	-	20.00
	- 99,240.611		Ft india Balanced Fund-Dividend	-	25.00
	584,139.015	87,063.649	Ft.india MIP-Plan A	<b>130.03</b>	20.00
	- 1,000,000.000		HDFC Arbitrage Fund - Wholesale Plan Monthly Dividend	-	100.00
	- 324,076.547		HDFC Cash Management Fund Savings Plan-Dividend	-	32.47
	1,437,826.707	2,421,539.140	HDFC Cash Management Fund Savings Plan-Growth	<b>252.31</b>	389.06
	2,110,560.983	-	HDFC Cash Management Fund-Savings Plus Plan		
	-	-	- W-G	<b>386.28</b>	-
	- 64,958.800		HDFC Cash Mgmt Fund (DD)	-	6.91
	- 106,108.674		HDFC Cash Mgmt Fund-Savings Plus-Wholesale		
	-	-	-Daily Dividend	-	10.64
	- 41,533.510		HDFC Equity Fund - Dividend	-	21.05
	- 452,703.773		HDFC Floating Rate Income Fund- Lt- Growth	-	60.00
	- 2,063,200.024		HDFC Floating Rate Income Fund -Short Term Plan-Growth	-	270.00
	- 1,811,986.597		HDFC Floating Rate Income Fund- St- Whole sale-Growth	-	245.00
	6,107,327.964	-	HDFC Floating Rate Income Fund-Stp-Ws-G	<b>875.75</b>	-
	1,500,000.000	-	HDFC FMP 90 D Aug'2008 (1x) (2)-W-G	<b>150.00</b>	-
	2,000,000.000	-	HDFC FMP 90 D Aug'2008 1x (4)-W-G	<b>200.00</b>	-

# KOTHARI SUGARS AND CHEMICALS LIMITED



(Rs. in Lakhs)

31-Mar-09		31-Mar-08		The Following Units are Purchased & Sold	As at		S C H E D U L E S
Units / Shares		Cost			31-Mar-09	31-Mar-08	
2,000,000.000	-	HDFC FMP 90 D Jun2008 (Viii) (2) - W - D	200.00	-	-		
1,540,020.000	-	HDFC FMP 90 D November 2008 X (2) -W- G	154.00	-	-		
2,000,000.000	-	HDFC FMP 90 D September 2008 lx (2) -W- G	200.00	-	-		
	- 3,099,189.914	HDFC FMP 90D - Dec'2007-Growth	-	309.92	-		
	- 250,000.000	HDFC FMP 90D June 2007 (5) Retail - Dividend	-	25.00	-		
	- 3,900,354.846	HDFC FRF -Short Term Plan-Wholesale Plan-Growth	-	514.15	-		
363,395.929	-	HDFC High Interest Fund-G	100.00	-	-		
950,881.179	-	HDFC High Interest Fund-STP - Dividend Reinvt	101.13	-	-		
603,675.174	-	HDFC High Interest Short term Plan-Growth	100.00	-	-		
217,476.404	-	HDFC QIF - Plan-A - Growth	25.00	-	-		
	- 2,000,000.000	HDFC Quarterly Interval Fund-Plan-C-Dividend	-	200.00	-		
974,892.105	-	HDFC Short Term Plan Dividend Reinvt	101.39	-	-		
	- 539,995.000	HSBC Fixed Term - 31 - Dividend	-	54.00	-		
2,819,475.063	-	HSBC Flexi Debt -Inst-Half yearly Dividend	281.95	-	-		
2,505,932.754	-	HSBC Flexi Debt -Inst-Monthly Dividend	275.26	-	-		
2,122,159.434	3,644,401.453	HSBC Floating Rate Fund Lt Inst-Growth	285.97	451.43	-		
	- 4,462,984.301	HSBC Floating Rate Fund Lt Regular-Growth	-	501.30	-		
2,875,052.661	-	HSBC Floating Rate Fund-Lt-Instl-Monthly Div	292.79	-	-		
1,261,171.296	-	HSBC FloatiNG Rate Fund-St-G	158.97	-	-		
1,634,173.706	-	HSBC Interval Fund - 2 - Inst - Div Reinvt	163.42	-	-		
1,523,706.117	-	HSBC Interval Fund - 2 - Inst - Growth-91 Days	163.42	-	-		
1,046,149.881	-	HSBC Interval Fund Plan-3-Growth	104.61	-	-		
	- 700,000.000	HSBC Interval Fund Series II-Dividend	-	70.00	-		
	- 444,020.159	HSBC MIP -Regular Plan Growth	-	60.00	-		
	- 266,233.593	HSBC MIP -Savings Plan Growth	-	40.00	-		
	- 773,247.342	ICICI Pru floating rate fund-growth-option B	-	100.02	-		
	- 520,944.577	ICICI Pru Instl Liquid Plan-Growth	-	100.00	-		
	- 250,000.000	ICICI Prudential FMP Series-38-D - 3 Months Plan-A - Retail Dividend	-	25.00	-		
368,860.774	-	IDFC - Dynamaic Bond Fund-Qtrly Dividend	40.00	-	-		
929,608.599	-	IDFC Liquid Plus Fund-Treasury-G(Money Manager)	129.45	-	-		
989,574.533	-	IDFC-SSIF-ST-Plan-B-Monthly Dividend	100.25	-	-		
1,400,000.000	-	ING FMP - Series 46 - G	140.00	-	-		
1,347,422.355	-	ING Income Fund -Quarterly Dividend	147.19	-	-		
703,383.539	-	ING Liquid Plus Fund - R -Growth	78.69	-	-		
1,313,782.405	-	ING Liquid Plus Fund-Inst-G	152.34	-	-		
1,432,032.000	-	ING QFMP-90-A-Instl. - G	143.20	-	-		
250,000.000	-	ING Quarterly Fmp-92-Series-A1-G	25.00	-	-		
179,375.879	-	ING Short Term Income Fund -G	26.42	-	-		
1,806,457.028	-	ING Treasury Advantage Fund-Inst-Q-Div	180.65	-	-		
	- 1,000,935.264	ING Vysya - FMP-XXIII-Dividend	-	100.09	-		
	- 250,000.000	ING Vysya - FMP-XXV-Dividend	-	25.00	-		
	- 842,580.656	ING Vysya Liquid Fund Instutional -Growth	-	100.00	-		

(Rs. in Lakhs)

S C H E D U L E S	31-Mar-09 31-Mar-08		The Following Units are Purchased & Sold	As at	
	Units / Shares			31-Mar-09	31-Mar-08
			Cost		
		-270,173.287	ING Vysya QFMP-92-A-Instl-G	27.02	-
		- 97,751.711	JM Small & Mid cap Fund-Dividend	-	10.00
		- 82,564.685	JM Basic Fund-Dividend	-	21.36
		- 146,699.267	JM Contra Fund-Dividend	-	15.00
		- 146,332.552	JM Contra Fund-Growth	-	16.62
	500,000.000	-	JM Fixed Maturity Fund-Series-Xii-Qtrly Plan-1-G	50.00	-
	1,000,000.000	-	JM Fixed Maturity Fund-Series-X-Qtrly Plan-5-G	100.00	-
	129,991.194	-	JM Floater Short Term-G	17.42	-
	250,000.000	-	JM FMF - Series-Xiii- Monthly Plan-1-Growth	25.00	-
	1,000,000.000	-	JM FMP - Series-Xii-Quarterly Plan-3 - Growth	100.00	-
	108,526.007	882,102.450	JM High Liquidity Fund - Growth Plan	25.23	184.13
	850,701.453	105,309.749	JM Money Manager Fund Super Plus Plan-Growth	102.84	11.36
		- 532,516.400	JM Morgan FMF-Series-V-Quarterly Plan-3-Institutional - Dividend	-	53.25
	756,687.093	-	Kotak Bond (Regular) - Quarterly Dividend	88.77	-
	567,300.111	-	Kotak Bond (Short Term ) - Monthly Dividend	58.58	-
	2,982,638.035	-	Kotak Flexi Debt Scheme Instl - G	323.45	-
	2,918,239.730	-	Kotak Floater-LT-G	395.44	-
	750,000.000	-	Kotak FMP 3M Series 31 - G	75.00	-
	362,483.129	-	Kotak Gilt (Investment Regular)-QD	50.40	-
	250,313.540	-	Kotak Monthly Interval Plan Series-2-G	25.03	-
	491,048.191	-	Kotak Monthly Interval Plan Series-3-G	50.00	-
	1,141,151.568	-	Kotak Quarterly Interval Plan Series-1-G	125.15	-
	230,562.055	-	Kotak Quarterly Interval Plan Series-2-G	25.24	-
	300,000.000	-	Kotak Quarterly Interval Plan Series-8-G	30.00	-
		- 1,407,672.100	LIC Floating Rate Fund-Growth Plan	-	175.38
		- 1,789,953.612	LIC FMP Series-38 Growth	-	179.00
		- 711,591.831	LIC Liquid Fund-Growth Plan	-	100.00
		- 500,000.000	LIC Liquid Plus Fund-D Daily Dividend	-	50.00
		- 500,000.000	LIC MF Fixed Maturity Plan-Series-26-Dividend	-	50.00
		- 811,294.302	LIC MF FRF St Growth	-	105.00
	495,697.347	-	LIC MF Interval Monthly SR.1-G	50.00	-
	1,219,587.500	-	LIC MF Interval Fund - Series 1 - Monthly - G	123.02	-
	1,219,687.206	-	LIC MF Interval Fund - Monthly - Series - 1	121.97	-
	1,128,382.165	-	LIC MF Liquid Plus Fund - G	122.98	-
		- 146,699.267	Lotus Equity Fund	-	15.00
	841,520.153	-	Lotus FMP 3 Months Series 28- G	84.15	-
	860,000.000	-	Lotus FMP 3 Months Series XXXV- G	86.00	-
		- 97,799.511	Lotus Growth Fund	-	10.00
		- 352,164.752	Lotus India FMP 1 Month Series III - Dividend	-	35.00
		- 250,106.184	Lotus India FMP 3M-Series-VII-Dividend	-	25.01
		- 500,000.000	Lotus India FMP-3 Months-Series-XVIII- -Growth	-	50.00
		- 241,329.047	Lotus India Liquid Fund-Growth	-	25.00

# KOTHARI SUGARS AND CHEMICALS LIMITED



(Rs. in Lakhs)

31-Mar-09	31-Mar-08	The Following Units are Purchased & Sold	As at	
			31-Mar-09	31-Mar-08
			<b>Cost</b>	
	- 252,316.183	Lotus India MF QIF - Plan-E-Growth	-	25.23
251,008.554		Lotus India MF QIF - plan-F-G-9.65%	<b>26.35</b>	-
	- 500,000.000	Lotus India QIF-Plan-B- -Growth	-	50.00
	- 510,365.000	Lotus India QIF-Plan-F- -Growth	-	51.04
1,483,712.520	-	Lotus Liquid Fund- Growth	<b>170.61</b>	-
1,113,380.725	-	Lotus Monthly Interval Plan-A-G	<b>111.82</b>	-
1,005,280.678	-	Lotus Monthly Interval Plan-B-G	<b>101.00</b>	-
480,674.068	-	Lotus Quarterly Interval Plan-C-G	<b>51.00</b>	-
100,000.000	-	Mirae Asset Global Commodity Stocks Fund-D	<b>10.00</b>	-
15,128.098	-	Mirae Asset Liquid Fund- Inst -G	<b>155.23</b>	-
500,000.000	-	Mirae Asset Monthly Interval Fund-Series-I-G	<b>50.00</b>	-
10,006.028	-	Mirae Liquid Fund-G	<b>101.42</b>	-
29,792.810	-	Mirae Liquid Plus Fund- Inst -G	<b>301.53</b>	-
	- 298,407.012	Principal Cash Management - (G) Liquid Option	-	32.30
	- 137,690.017	Principal Large Cap Fund-Dividend	-	25.00
	- 125,809.899	Principal Large Cap Fund-Growth	-	30.26
250,000.000		Principal PNB FMP-30 Days-S-II-Sep'08-Growth	<b>25.00</b>	-
	- 286,684.670	PRU ICICI Liq Super Inst PI Growth	-	32.77
	- 68,547.208	Reliance Diversified Power Fund-Dividend	-	29.10
	- 342,298.289	Reliance Equity Advantage Fund	-	35.00
1,555,868.351	-	Reliance FHF Fund-XII-Series-14-Growth	<b>155.59</b>	-
1,514,875.812	-	Reliance FHF Fund-X-Series-13-Growth	<b>151.49</b>	-
	- 514,784.084	Reliance FHF I-Quarterly Plan-I-Series-IV-90 Days-Dividend	-	51.48
1,243,537.123	-	Reliance Fixed Horizon VIII - Series 11 - G	<b>124.35</b>	-
3,202,310.310	7,028,231.871	Reliance Floating Rate Fund - G	<b>435.57</b>	761.01
	- 834,185.725	Reliance Floating Rate Fund-Daily Dividend RNV Plan	-	84.00
	- 629,460.800	Reliance Floating Rate Fund-Dividend	-	63.59
	- 26,417.753	Reliance Growth Fund -Dividend	-	15.00
	- 4,550.710	Reliance Growth Fund-Growth	-	17.25
93,021.871	-	Reliance Income Fund-Retail -G	<b>25.00</b>	-
226,837.611	-	Reliance Income Fund-Retail -Monthly Dividend	<b>25.00</b>	-
267,574.624	-	Reliance Liquid Fund- Cash Plan-Growth-Switch	<b>38.52</b>	-
	- 144,217.870	Reliance Liquid Fund Weekly Dividend	-	22.09
	- 1,270,561.730	Reliance Liquid Fund-Treasury Plan-Instnl-Growth	-	234.91
	21,474.181	Reliance Liquid Plus Fund-Institutional-Growth	-	225.00
40,418.541	-	Reliance Liquid Plus Fund-Instl-G	<b>473.04</b>	-
	- 528,809.544	Reliance Liquid Treasury-IP	-	100.00
	- 111,960.071	Reliance Liquidity Fund-Dly Dividend	-	11.20
2,125,421.161	-	Reliance Medium Term Fund-G	<b>376.76</b>	-
	- 2,348,988.248	Reliance M-Interval Fund-Series-II-Institutional-Dividend	-	234.96
	- 1,840,704.290	Reliance M-Interval Fund-Series-I-Institutional-Dividend	-	184.40
	- 944,358.403	Reliance Monthly Interval Series I-Institutional Growth	-	100.00
	- 478,208.059	Reliance Monthly Interval Series I-Retail-Growth	-	50.00

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(Rs. in Lakhs)

S C H E D U L E S	31-Mar-09		The Following Units are Purchased & Sold	As at	
	31-Mar-08	Units / Shares		31-Mar-09	31-Mar-08
			Cost		
		- 998,472.337	Reliance Monthly Interval Fund-Monthly	-	100.00
	334,052.374	-	Reliance Monthly Interval Fund-Series II-G	37.24	-
	1,500,000.000	-	Reliance Monthly Interval Fund-Series-I-Growth	150.00	-
		- 1,125,789.672	Reliance Monthly Interval Fund-Series-II-Institutional-Growth	-	121.87
		- 334,375.986	Reliance Monthly Interval Fund-Sr. II-Retail -Growth	-	36.18
		- 57,587.377	Reliance Power Sector Fund -Dividend	-	20.90
		- 39,873.744	Reliance Power Sector Fund-Growth	-	25.00
	337,327.493		Reliance Quarterly Interval Fund-Series II-Retail-Growth	38.60	-
		- 1,000,000.000	Reliance Quarterly Interval Fund-Series-II-Institutional-Dividend	-	100.00
		- 515,014.910	Reliance Quarterly -Interval Fund-Series-I-Retail-Growth	-	51.50
	753,472.659		Reliance Short Term Fund-Quarterly Dividend Reinvt	100.89	-
		- 1,110,977.230	Reliance Short Term Fund-Retail Plan-Growth	-	150.81
		- 82,535.083	Reliance Vision Fund- Dividend	-	45.00
		- 8,461.343	Reliance Vision-Ip-Dividend	-	21.18
	450,000.000	-	SBI Debt Fund Series -30 Days-3-G	45.00	-
	64,000.000	83,920.779	SBI MF Contra Fund - D	20.00	25.00
	1,000,000.000	-	SBI MF Sdfs-90 Days-Series-29-G	100.00	-
	620,892.303	-	SBI MICF Cash Option	118.47	-
	430,714.589	-	SBI MICF-Liquid Floater	65.00	-
		- 750,000.000	SCB Manager Plus	-	75.00
		- 502,870.350	SCB-Gssif-Short Term Plan A - Forghntightly Dividend	-	50.59
		- 494,004.154	Standard Chartered - Gssif - Short Term-Growth	-	76.58
		- 1,106,365.303	Standard Chartered FMP-Growth	-	110.64
		- 1,014,760.000	Standard Chartered FMP-Quarterly Series-3	-	101.48
		- 750,000.000	Standard Chartered FMP-Quarterly Series-9	-	75.00
		- 699,999.999	Standard Chartered FRF Fund-Lt Plan-Daily Dividend	-	70.00
		- 12,438.269	Standard Chartered Liquidity Manager Plus Growth	-	135.00
		- 9,762.060	Standard Chartered Liquidity Manager Plus-Growth	-	109.00
		- 97,323.601	Sundaram BNP Paribas Global Advantage Fund-Dividend	-	10.00
	485,977.458	-	Sundaram Bond Saver-Institutional -G	125.72	-
		- 191,571.213	Sundaram Capex Oppurtunities Fund	-	45.13
	460,195.391	-	Sundaram Fixed Income Interval-Qrtly Plan-B Regular- G	50.00	-
	468,362.138	-	Sundaram Fixed Income Interval-Qrtly Plan-C- G	50.00	-
	500,000.000	-	Sundaram FTP 90 Days Series-5 Retail - G	50.00	-
	511,095.000	-	Sundaram FTP 90 Days Series-7 Retail - G	51.11	-
	524,424.358	-	Sundaram FTP 90 Days Series-8 Retail - G	52.44	-
	300,000.000	-	Sundaram Interval Fund -Qrtly Plan-D Regular- G	30.00	-
		177,390.890	Sundaram Liquid Plus Retail Growth	-	18.27
	1,745,869.293	-	Sundaram Money Fund-Appreciation	314.68	-
	1,000,000.000	-	Sundaram PNB Paribas FIF-Quarterly Series-Plan-D	100.00	-
	566,953.306	-	Tata Fixed Income Portfolio Fund Scheme A2-Regular-G	61.14	-
	997,649.734	-	Tata Dynamic Bond Fund - G	132.55	-
		- 737,277.119	Tata Dynamic Bond Fund - Option A-Dividend	-	76.00



# KOTHARI SUGARS AND CHEMICALS LIMITED



(Rs. in Lakhs)

31-Mar-09	31-Mar-08	The Following Units are Purchased & Sold	31-Mar-09	31-Mar-08
Units / Shares			As at Cost	
882,583.077	-	Tata Dynamic Bond-Growth-Plan B	117.26	-
	- 250,000.000	Tata FHF-Series-6-Scheme-H-Instutional Dividend	-	25.00
	- 1,029,457.042	Tata FHF-Series-9-Scheme-E - Qtrly-Div. Monthly Credit	-	102.95
1,167,377.095	-	Tata Fixed Income Portfolio Fund-A2-G	120.59	-
402,112.859	-	Tata Fixed Income Portfolio Fund-A3-Div Reinv	40.21	-
394,871.694	-	Tata Fixed Income Portfolio Fund-A3-G	40.35	-
	- 300,000.000	Tata Fixed Income Portfolio Fund-Scheme A1	-	30.00
468,360.413	-	Tata Floating Rate Long Term-Growth	58.84	-
1,742,715.792	1,220,171.173	Tata Floater Fund - Growth	214.90	140.00
214,486.663	-	Tata Gilt Securities Fund-Long Term-G	61.33	-
366,005.417	-	Tata Income Plus Fund (Option -B)-G	50.00	-
4,319.434	-	Tata Liquid High Investment Fund-G	60.00	-
7,748.373	-	Tata Liquid Super High Investment Fund-G	118.10	-
	- 31,039.321	Tata Pure Equity Fund-Dividend	-	10.00
	- 95,961.001	Tata Service Industries Fund-Dividend	-	20.00
374,746.652	-	Tata Short Term Bond Fund-Appreciation	61.88	-
436,478.259	-	Tata Short Term Bond Fund-Dividend	51.45	-
438,609.975	-	Tata Short Term Bond Fund-Dividend Reinv	54.22	-
	- 6,631.719	Tata Treasury Manager Fund-Growth	-	70.00
5,513.551	-	Tata Treasury Manager Fund-Hip	61.07	-
	- 10,910.319	Tata Treasury Manager-Ship Growth	-	114.39
	- 735,547.207	Temp. India Floating Rate Income Fund-Growth	-	102.44
	- 7,160.458	Temp. India Short-Term Income Plan-Growth	-	100.00
	- 158,535.135	Templeton Equity Income Fund-Dividend	-	20.00
250,000.000	-	Templeton FHF Series X - Plan-B (3M) -G	25.00	-
998,989.909	-	Templeton FHF Series-X Plan-A-Growth	99.90	-
1,000,000.000	-	Templeton Fixed Horizon Fund-Series-X- Plan-A- (G)	100.00	-
1,000,000.000	-	Templeton Fixed Horizon Fund-Series-X- Plan-B- (G)	100.00	-
4,150,889.360	-	Templeton Floating Rate Inst. LT- G	542.18	-
178,207.670	-	Templeton Floating Rate Income Fund - LTP - R-G	28.18	-
3,181,176.615	-	Templeton Floating Rate-ST-G	471.93	-
1,152,154.597	-	Templeton FRF - LT - Inst -G	140.21	-
131,006.655	-	Templeton India Government Securities Fund-LT-G	25.00	-
948,375.160	-	Templeton India Govt. Sec. Fund-G	200.00	-
254,526.054	-	Templeton India Income Fund-Dividend	27.06	-
346,367.128	-	Templeton India Income Fund-G	100.00	-
9,201.243	-	Templeton India Stip-Regular-G	140.00	-
60,251.636	-	Templeton India Treasury Management - Inst - G	803.24	-
944,010.724	-	Templeton India Ultra Short Bond Fund-Inst-G	100.00	-
895,110.904	-	Templeton Quarterly Interval Plan -A- Inst. Growth	100.00	-
2,000,000.000	-	Templeton Quarterly Interval Plan -C- Inst. Growth	200.00	-
57,532.495	-	Templeton Short Term Income Plan-G	894.90	-
23,993.928	-	Templeton Treasury Management A/C- Regular G	484.78	-

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S C H E D U L E S			(Rs. in Lakhs)		
			As at		
	31-Mar-09	31-Mar-08	The Following Units are Purchased & Sold	31-Mar-09	31-Mar-08
Units / Shares			Cost		
	6,239.785	-	Templeton Treasury Management-Liquid (G)	80.00	-
	1,301.973	18,961.527	Templeton Treasury Mgn Account Regular Plan-Growth	27.82	362.75
	10,972,910.143	6,034,608.150	Templeton Ultra Short Bond Fund-IP-Growth	1,139.99	610.31
		- 1,302,685.923	Templeton Ultra Short Bond Fund-Retail-Growth	-	131.43
		- 129.270	TITMA Regular Plan Growth	-	2.54
	986,963.974	-	UIT-QIP-Series-II- Plan-V-G	100.00	-
	973,605.553	-	UTI Fixed Income Interval Fund Series II Plan-V- (G)	100.00	-
	18,485.911	-	UTI - Liquid Plus Fund - Inst - G	200.00	-
		- 128,534.704	UTI Banking Sector Fund	-	25.00
	228,749.257	-	UTI Bond Fund - Dividend -Reinv	28.13	-
	191,981.625	-	UTI Bond Fund-Growth	51.41	-
	602,008.846	-	UTI F I I F-Series-II-Quarterly Interval-Plan IV-Growth	61.00	-
	1,334,210.948	-	UTI FIIF QIP Series III -Instl Growth	150.00	-
	565,499.715	-	UTI Fixed Income Interval-Monthly Interval Plan-II-Growth	60.00	-
	456,283.480	-	UTI Fixed Income Interval-Monthly-G	49.62	-
	3,533.145	-	UTI Fixed Income Interval-Monthly-Series 1-G	0.38	-
	26,712.028	-	UTI Floating Rate Fund-G	373.34	-
		- 500,080.000	UTI FMP - Quarterly - Series-II-Dividend	-	50.01
	443,417.963	-	UTI Gilt Advantage Fund Long Term Plan-D	59.02	-
	132,766.861	-	UTI Gilt Advantage Fund Long Term Plan-G	25.00	-
		- 111,557.340	UTI Infrastructure Fund-Dividend	-	25.00
	13,334.394	-	UTI Liquid Plus Fund-Instl. Growth	154.23	-
	11,128.485	-	UTI Liquid Plus Fund-Qtrly Div Rein	140.35	-
	6,524.725	6,721.405	UTI Liquid Plus-Growth	94.24	131.16
	985,434.463	-	UTI Monthly Interval Plan Series 1 - D Rein	100.93	-
	961,318.958	-	UTI Monthly Interval Plan Series 1 - G	100.11	-
	2,111,614.395	-	UTI QIP Series III - Div Rein	211.16	-
	1,887,574.692	-	UTI QIP Series III - G	201.84	-
	500,000.000	-	UTI Short Term Fixed Maturity Series 1-IX-90 Days-Growth	50.00	-
	1,000,000.000	-	UTI Short Term FMP-Series-I-V (140 Days)	100.00	-
	1,442.354	-	UTI Treasury Advantage Fund- Growth	31.86	-
	8,827.492	-	UTI Treasury Advantage Fund- Inst. Plan-growth	103.26	-
	1,022,935.463	-	UTI-FMP-QFMP-06/08-Instl-Growth-II	102.29	-
	1,046,657.336	-	UTI-Short Term FMP - Series-I-IX (90 Days) -Instl-Growth	104.67	-
				<b>28,050.31</b>	<b>14,460.22</b>
	2,000	2,136	3I Infotech Ltd	2.33	3.19
	25	100	Aban Loyd Chiles Offshore Ltd	0.53	2.98
	1,375	1,534	Abb Ltd	14.16	18.02
	-	144	Abg Shipyard Ltd	-	1.38
	-	1,286	Adhunik Metaliks Ltd	-	1.31
	-	350	Aditya Birla Nuvo Ltd	-	5.44
	-	407	Adlabs Films Ltd	-	3.38
	-	640	Ador Welding Limited	-	1.76

(Rs. in Lakhs)

31-Mar-09	31-Mar-08	The Following Units are Purchased & Sold	As at		SCHEDULES
			31-Mar-09	31-Mar-08	
Units / Shares			Cost		
-	446	Aia Engineering Ltd	-	6.28	
-	275	Akruti Nirman Ltd	-	1.59	
1,500	2,000	Allahabad Bank	1.19	1.73	
-	893	Alstom Projects India Ltd	-	9.08	
3,100	1,614	Amara Raja Batteries	4.43	3.11	
-	350	Amtek Auto	-	1.63	
-	435	Areva T&D India Ltd	-	8.62	
-	12,500	Ashok Leyland	-	4.67	
-	1,300	Associated Cement Companies Limited	-	11.02	
1,150	917	Axis Bank Ltd	6.41	7.16	
-	340	Bajaj Auto Ltd	-	7.90	
-	2,250	Balaji Telefilms Ltd	-	5.42	
-	1,666	Bank of India Ltd	-	6.16	
1,900	500	Bartronics India Limited	4.40	1.23	
-	1,335	Bata India	-	2.26	
-	192	Bharat Earth Movers Ltd	-	2.09	
100	175	Bharat Electronics Ltd	0.87	3.12	
-	850	Bharat Forge Ltd	-	2.54	
3,067	2,164	Bharat Heavy Electricals Limited	52.71	39.58	
1,950	1,523	Bharti Airtel Ltd	15.96	12.81	
-	347	Bharti Shipyard Limited	-	2.01	
500	350	Biocon Ltd	2.33	1.64	
-	600	Blue Star Limited	-	1.39	
5,000	10,000	Bongaigaon Refinery	2.93	6.37	
-	30	Bosch Ltd	-	1.34	
284	-	Britania Industries	3.79	-	
-	600	Cairn India	-	1.30	
-	1,500	Canara Bank	-	4.53	
-	150	Castrol India	-	0.32	
-	6,000	Centurian Bank of Punjab	-	3.50	
-	256	Century Textiles Limited	-	2.58	
1,400	2,000	Chennai Petroleum	2.98	4.93	
-	2,900	Cipla Ltd	-	5.54	
250	-	Colgate Palmolive Ltd	1.04	-	
500	-	Container Corp of Ind Ltd	4.50	-	
-	100	Cummins India Ltd	-	0.38	
750	1,875	Dabur India Ltd	0.66	1.77	
-	710	Deccan Chronicle Holdings Limited	-	1.49	
-	1,105	DLF Ltd	-	9.32	
-	1,429	DR Reddys Laboratories Limited	-	9.22	
-	2,000	E Merck (India) Ltd	-	7.86	

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(Rs. in Lakhs)

31-Mar-09	31-Mar-08	The Following Units are Purchased & Sold	As at	
			31-Mar-09	31-Mar-08
Units / Shares			Cost	
550	656	EIH Limited	0.70	0.84
-	2,250	Elecon Engineers	-	4.97
2,350	-	Emco Limited	2.75	-
-	600	Everest Kanto Cylinder	-	1.27
-	2,469	Exide Industries Ltd	-	1.50
-	500	Federal Bank	-	1.38
1,300	1,950	Gail (India) Ltd	3.90	7.12
2,000	-	Gateway Districtpark	2.00	-
500	-	GE Shipping	1.36	-
-	6,200	Geojit Fin Services	-	5.18
-	418	Gitanjali Gems Limited	-	1.56
-	1,550	Glaxosmithline Pharma	-	16.86
500	-	Glenmark Pharmaceuticals	3.28	-
-	800	Global Broadcast News Ltd	-	5.02
-	4,265	GMR Infrastructure Ltd	-	9.32
300	-	Godrej Consumer Products Ltd	0.38	-
-	2,500	Granules India Ltd	-	2.97
175	143	Grasim Industries Ltd	4.61	4.02
-	1,100	Great Eastern Shipping Co Ltd	-	4.01
-	1,234	Great Offshore Ltd	-	9.21
-	1,000	Gremach Infra	-	3.41
-	700	Guj Nar Fert Ltd	-	0.98
-	1,000	Gujarat Ind Power	-	0.94
5,150	1,000	Gujarat Nre Coke Ltd	4.46	1.40
-	1,000	Gujarat State Fertilizers & Chemicals Ltd	-	2.28
-	700	Havels India	-	4.76
-	639	HCL Infosys	-	1.25
-	2,866	HCL Technologies Ltd	-	8.80
850	-	HCL Technologies Ltd	2.23	-
750	670	HDFC Bank Ltd	7.32	7.54
1,006	560	HDFC Limited	17.20	12.24
-	1,500	Himatsingka Seide	-	1.65
-	1,000	Hindalco Industries	-	1.45
-	5,640	Hindustan Construction Company Ltd	-	7.15
-	1,918	Hindustan Oil Exploration	-	2.16
-	1,250	Hindustan Unilever Limited	-	2.47
-	100	Hindustan Zinc	-	0.69
-	4,000	Hotel Leela Venture	-	1.89
664	550	Housing Dev & Infra Ltd	3.73	4.53

(Rs. in Lakhs)

31-Mar-09	31-Mar-08	The Following Units are Purchased & Sold	As at		S C H E D U L E S
			31-Mar-09	31-Mar-08	
Units / Shares			Cost		
-	1,394	Hovs Services	-	2.56	
-	2,210	ICICI Bank Limited	-	22.22	
-	1,000	IDBI	-	1.15	
-	5,737	IDEA Cellular Limited	-	6.77	
-	2,000	IFCI	-	2.01	
-	70	IFLEX Solutions Limited	-	1.04	
-	832	India Bulls Financial Services	-	6.23	
-	800	India Glycols Ltd	-	3.56	
-	881	Indiabulls Real Estate Limited	-	5.28	
-	486	Indiainfoline Ltd	-	3.60	
1,500	2,000	Indian Bank	<b>2.24</b>	3.29	
-	1,700	Indian Hotels Co Ltd	-	2.30	
-	150	Indian Petrochemicals Corporation Ltd	-	0.48	
625	1,340	Infosys Technologies Ltd	<b>9.66</b>	25.58	
-	4,002	Infrastructure Development Finance Company Ltd	-	6.06	
-	1,000	IOB	-	1.49	
300	5,452	ITC Ltd	<b>0.50</b>	8.73	
500	1,950	IVRCL Infra	1.79	7.66	
-	503	Jain Irrigation	-	2.39	
1,330	1,735	Jaiprakash Associates Ltd	<b>3.20</b>	6.18	
-	452	Jindal Saw Ltd	-	3.05	
-	300	Jindal Stainless Steel	-	0.50	
-	52	Jindal Steel And Power Ltd Fv1	-	1.82	
-	2,000	JP Hydro	-	1.39	
-	500	JSW Steel Ltd	-	4.14	
-	642	Kalpataru Power Tran	-	9.42	
-	230	Kirl.Pneumatic	-	0.88	
-	2,200	Kirloskar Ferrous	-	1.76	
-	371	Kotak Mahindra Bank Limited	-	3.91	
-	649	KRBL Limited EQ	-	1.06	
3,000	-	KS Oil Ltd	<b>2.37</b>	-	
325	492	Larsen and Toubro Limited	<b>2.96</b>	10.27	
-	1,000	LIC Housing Finance	-	2.23	
-	856	Mahindra and Mahindra Limited	-	5.78	
-	1,240	Mangalam Cement Ltd	-	2.30	
-	500	Mastek	-	1.43	
-	28	Maytas	-	0.10	
-	5,000	Meghmani Organic	-	1.38	
-	400	Micro Inks	-	1.81	

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				(Rs. in Lakhs)	
		The Following Units are Purchased & Sold		As at	
31-Mar-09	31-Mar-08			31-Mar-09	31-Mar-08
Units / Shares				Cost	
-	2,475	Moser-Baer (i) Ltd	-	6.96	
-	4	Motor industries co. Limited	-	0.14	
2,000	-	MRPL	<b>1.95</b>	-	
-	2,000	Mukand Ltd	-	1.61	
-	268	Mundra Port And Special Economic Zone	-	3.06	
-	150	Mysore Cements Ltd	-	0.06	
1,000	1,376	Nagarjuna Constcution Co	<b>1.34</b>	3.44	
-	5,000	Nagarjuna Fertilisers	-	3.42	
-	297	Nava Bharat Ventures Ltd	-	1.02	
-	550	Nelco Ltd	-	1.02	
-	25	Nestle India Ltd	-	0.25	
-	47	Network Eighteen Fincap Ltd.	-	0.17	
-	102	Nifty Futures	-	4.53	
-	478	Nifty Options	-	0.55	
-	2,587	NIIT Ltd	-	3.43	
-	1,232	NIIT Technologies Limited	-	4.11	
-	777	Nitco Tiles Limited	-	1.53	
2,000	-	NLC	<b>2.73</b>	-	
2,600	1,800	NTPC Limited	<b>4.62</b>	4.48	
900	2,070	Oil and Natural Gas Corporation Limited	<b>8.82</b>	20.74	
-	1,533	Opto Circuits (India) Limited	-	4.44	
-	3,400	Orchid Chem	-	7.86	
-	2,500	Orient Paper Industries Ltd.	-	1.42	
-	242	Pantaloon Retail (India) Limited	-	1.41	
-	200	Parsvanath Developers	-	0.62	
-	928	Patel Engineering	-	5.91	
300	-	Patni Computers	<b>0.80</b>	-	
2,000	-	Petronet LNG Ltd	<b>1.65</b>	-	
-	650	Pfizer Ltd	-	4.42	
-	2,320	Power Finance Corporation	-	4.16	
-	2,629	Power Grid Corporation of India Ltd	-	2.53	
-	3,830	Praj Industries	-	6.06	
-	265	PSL Limited	-	0.95	
-	4,487	Punj Lloyd Limited	-	13.85	
2,200	315	Punjab National Bank	<b>9.29</b>	1.67	
-	150	Rajesh Export	-	0.88	
-	1,424	Ranbaxy Laboratories Ltd	-	6.09	
-	4,316	Rashtriya Chemicals & Fer	-	2.34	
-	105	Ratnamani Metals & Tubes Ltd	-	1.04	
1,450	599	Reliance Capital Limited	<b>17.84</b>	7.77	

(Rs. in Lakhs)

31-Mar-09	31-Mar-08	The Following Units are Purchased & Sold	As at	
			31-Mar-09	31-Mar-08
Units / Shares			Cost	
400	3,877	Reliance Communication Limited	0.97	20.58
100	-	Reliance Industrial Infra	1.28	-
375	1,245	Reliance Industries Ltd	4.52	21.12
1,625	1,599	Reliance Infrastructure	19.60	14.81
-	2,500	Reliance Natural Resources	-	2.64
750	2,503	RPL	1.22	2.57
-	105	Sadbhav Engineering Ltd	-	0.83
-	1,000	Sangam India	-	0.67
-	451	Sanghvi Movers Ltd.	-	1.45
650	2,538	Satyam Computer Services Ltd	2.59	10.92
250	197	Sesa Goa Ltd	0.89	5.26
-	1,000	Shasun Chemicals	-	0.91
1,500	-	Shipping Corp Of India Ltd	2.58	-
-	1,136	Siemens Ltd	-	10.34
-	746	Simplex Infra	-	4.40
-	2,400	Sintex Industries Ltd	-	12.78
-	457	SKF India	-	1.67
-	100	Sobha Developers	-	0.75
-	1,000	SREI	-	1.14
1,400	766	State Bank of India Ltd	18.62	13.42
-	1,939	Steel Authority of India Ltd	-	3.24
1,300	717	Sterlite Industries (India) Ltd	6.03	5.59
-	95	Subex Systems Limited	-	0.60
-	86	Sun Pharma Advance Research Co	-	0.10
-	86	Sun Pharmaceuticals Industries Ltd	-	0.80
-	1,409	Sun TV Network Limited	-	4.96
-	1,186	Suzlon Energy Limited EQ	-	5.94
2,225	-	Tamilnadu Newsprint & Paper Ltd	2.08	-
850	136	Tanla Solutions Limited Face Value 2	2.09	0.82
-	740	Tata Chemicals	-	2.50
300	752	Tata Consultancy Services Limited	2.72	8.54
-	1,600	Tata Metaliks	-	3.21
-	750	Tata Motors Ltd	-	5.02
250	500	Tata Power	2.55	4.89
200	2,073	Tata Steel Ltd	0.94	14.03
250	626	Tata Steel-Ccps	0.25	0.63
1,200	10	Tech Mahindra Ltd	10.32	0.15
-	214	Television Eighteen India	-	0.77
1,000	-	Torrent Power	1.34	-
-	98	Tulip Telecom Ltd	-	0.85

				(Rs. in Lakhs)	
				As at	
31-Mar-09	31-Mar-08	The Following Units are Purchased & Sold	31-Mar-09	31-Mar-08	Cost
Units / Shares					
-	1,200	Unichem Lab	-	2.70	
-	1,000	Union Bank Of India	-	1.38	
-	1,095	Unitech Limited	-	3.70	
-	137	United Spirits	-	2.68	
-	243	UTV Software Communication Ltd	-	1.81	
200	-	Varun Industries	0.11	-	
4,700	-	Varun Shipping	3.35	-	
-	167	Vishal Retail Limited	-	1.03	
-	400	Voltamp Transformers Ltd	-	6.34	
-	2,123	Voltas Ltd	-	2.57	
550	2,349	Wipro Limited	2.33	12.23	
-	995	Zee Entertainment Enterprises Ltd	-	2.82	
			<u>333.26</u>	<u>913.71</u>	
			<u>28,383.57</u>	<u>15,373.93</u>	

**Schedule 7**

**CURRENT ASSETS, LOANS AND ADVANCES**

**A Current Assets**

**a. Inventories**

Raw Materials	134.92	375.00
Stores and Spare Parts Stock	499.96	449.87
<u>Stock-in-trade :</u>		
- Sugar	3,867.65	4042.53
- Molasses	1,411.67	180.60
- Industrial Alcohol	494.69	36.69
- Work in process	216.33	273.32
- Stock in transit	0.03	-
<b>Total</b>	<u>6,625.25</u>	<u>5,358.01</u>

**b. Sundry Debtors**

(Unsecured and considered good)		
Outstanding for a period of more than six months	27.02	51.79
Other Debts	517.16	966.40
<b>Total</b>	<u>544.18</u>	<u>1,018.19</u>

**c. Cash and Bank Balances**

Cash on Hand	2.66	7.46
Cash In Transit	-	393.98
<u>Balances with Scheduled Banks :</u>		
On Current Accounts	817.77	755.98
On Unclaimed Dividends / Debenture Redemption and fractional warrant accounts	4.12	4.24
On Deposit Accounts	3,723.45	3,917.68
[Includes security pledged to Banks for margin Rs.150.70 Lacs]		
Balances with Non-Scheduled Bank on Current Account	2.68	16.28
(Thiruchirapalli District Central Co-op. Bank Ltd. & Mandya Dist Co-op Bank Ltd., maximum amount outstanding at any time during the year Rs.158.23 Lacs)		
<b>Total</b>	<u>4,550.68</u>	<u>5,095.62</u>



(Rs. in Lakhs)

	31-Mar-09	As at 31-Mar-08
<b>B. Loans &amp; Advances</b> (Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
Considered good	1224.86	1,227.47
Considered doubtful	55.54	55.54
Advances to Subsidiaries		
Considered good	53.91	53.91
Considered doubtful	1.26	1.26
	<u>1,335.57</u>	<u>1,338.18</u>
<b>Less:</b> Provision for doubtful advances	110.71	110.71
	<u>1,224.86</u>	<u>1,227.47</u>
Advance payment of Income-Tax & Tax Deducted at Source	810.55	623.18
Balance with Central Excise Authorities	215.12	419.05
Deposits	680.31	577.99
<b>Total</b>	<u>2,930.84</u>	<u>2,847.69</u>
<b>Schedule 8</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors	5,100.89	4,958.34
Investor Education and Protection Fund (Not Due)	4.12	4.24
Unclaimed Dividends / Debenture Redemption and fractional warrants		
Other Liabilities	2,870.24	5,514.26
<b>Total</b>	<u>7,975.25</u>	<u>10,476.84</u>
<b>Provisions for :</b>		
Wealth Tax	1.32	1.32
Income Tax	385.42	372.10
Fringe Benefit Tax	16.00	19.72
<b>Total</b>	<u>402.74</u>	<u>393.14</u>
<b>Schedule 9</b>		
<b>Sales</b>		
Sugar	20,900.84	21,628.32
Molasses	1,026.64	272.41
Bagasse	94.89	197.24
Industrial Alcohol	3,143.22	3,183.72
Electric Power	1,968.32	1,984.80
<b>Total</b>	<u>27,133.91</u>	<u>27,266.49</u>
<b>Schedule 10</b>		
<b>OTHER INCOME</b>		
Rent received	2.13	40.05
Interest income	364.87	372.55
Dividend	82.08	338.35
Profit on Sale of Investments	11.22	257.36
Subsidy on Export/Interest on Buffer stock	353.17	181.33
Provision Written Back	102.81	113.19
Prov for Diminution in Value of Short term Investments written back	490.54	-
Exchange rate fluctuation	66.83	-
Other Miscellaneous Income	284.95	171.64
<b>Total</b>	<u>1,758.60</u>	<u>1,474.47</u>

		(Rs. in Lakhs)	
		As at	
		31-Mar-09	31-Mar-08
<b>Schedule 11</b>			
<b>MATERIAL CONSUMED</b>			
	Raw Material	19,364.94	18,863.61
	Chemicals and Others	626.68	730.17
	Others	438.26	255.67
	<b>Total</b>	<u>20,429.88</u>	<u>19,849.45</u>
<b>Schedule 12</b>			
<b>MANUFACTURING AND OTHER EXPENSES</b>			
	Salaries, Wages & Bonus	1,521.16	1,343.60
	Managing Director Remuneration	48.00	60.21
	Employees' Welfare expenses	93.99	151.97
	Contribution to Provident and other funds	108.19	193.49
	Power & Fuel	755.45	437.15
	Freight and Transport	98.27	273.75
	Lease Rent	788.82	629.17
	Rent	38.39	40.50
	Rates & Taxes	42.96	36.71
	Excise Duty-Expunged	473.23	637.78
	Repairs & Maintenance - Buildings	157.08	151.16
	Repairs & Maintenance - Machinery	1,250.19	1,075.40
	Repairs & Maintenance - Others	58.35	56.44
	Insurance	103.52	74.39
	Directors' Sitting Fees	1.35	0.90
	Directors' Travelling Expenses	32.17	48.68
	Auditors' Remuneration	3.82	2.83
	Research and development exps	3.88	0.00
	Bank Charges	47.71	71.55
	Conveyance -Local	14.88	23.70
	Travelling other than directors	80.33	63.28
	Professional Fees	109.04	128.04
	Commission	116.72	100.72
	Loss on Sale of Assets	1.15	1.40
	Prov for Diminution in Value of Short term Investments	0.00	283.54
	Miscellaneous	25.80	6.54
	Administration Expenses - Other	235.69	168.77
	<b>Total</b>	<u>6,210.14</u>	<u>6,061.67</u>
	<b>Less: Project Expenses taken to CWIP</b>	-	537.27
		<u>6,210.14</u>	<u>5,524.40</u>

	(Rs. in Lakhs)	
	31-Mar-09	As at 31-Mar-08
<b>Schedule 13</b>		
<b>INCREASE/DECREASE IN STOCK</b>		
<b>Opening Stock</b>		
Work in process	273.32	134.11
Work in process (Trial Production)	-	86.47
<b>Finished Stock :</b>		
Sugar (Commercial Production)	4,042.53	2,105.42
Molasses	180.60	175.75
Molasses (Trial Production)	-	33.37
Industrial Alcohol	36.68	63.97
Sugar (Trial Production)	-	1,018.35
<b>Total</b>	<u>4,533.13</u>	<u>3,617.44</u>
<b>Closing Stock</b>		
Work in process	216.33	273.32
<b>Finished Stock :</b>		
Sugar	3,867.65	4,042.53
Molasses	1,411.94	180.60
Industrial Alcohol	494.69	36.68
<b>Total</b>	<u>5,990.61</u>	<u>4,533.13</u>
	<u>(1,457.48)</u>	<u>(915.69)</u>
<b>Schedule 14</b>		
<b>INTEREST</b>		
Term Loans	481.59	444.70
Other Loans	64.12	272.77
	<u>545.71</u>	<u>717.47</u>
<b>LESS: Project Expenses taken to CWIP</b>	-	229.75
<b>Total</b>	<u>545.71</u>	<u>487.72</u>
<b>Schedule 15</b>		
<b>Exceptional Item</b>		
Interest payable under Sales Tax settlement scheme	577.73	0.00
Less : Principle waiver under Sales Tax settlement scheme	(150.21)	0.00
<b>Total</b>	<u>427.52</u>	<u>0.00</u>

## SCHEDULE 16

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention, as applicable to a going concern, as adopted consistently by the company.

#### 2. Fixed Assets & Depreciation

(a) Fixed assets are recorded at cost and cost includes appropriate direct and allocated expenses including interest on specified borrowings for acquisition of assets upto the date of commencement of commercial production. Technical know-how fees in respect of specific turnkey projects are capitalised.

(b) Depreciation on fixed assets is provided at Straight Line Method in accordance with Schedule XIV to the Companies Act, 1956. Based on technical opinion, plant and machinery have been classified as continuous process plant and depreciation has been provided at 5.28% on the original cost. Assets costing less than Rs.5000/- are fully depreciated.

**3. Foreign Currency Transaction**

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

**4. Investments**

All Investments are stated at cost and provision for diminution in value other than temporary Long Term Investments is made to reflect its quoted / fair value. Current investments are carried at lower of cost or fair value and determined on an individual investment basis.

**5. Inventories**

- (a) Raw Materials and Stores and Spares are valued at weighted average cost.
- (b) Finished Stocks are valued at cost (including applicable overheads and excise duty) or net realisable values whichever is lower.
- (c) Work-in-Process value is derived from the value of finished goods less estimated cost of work still to be completed.
- (d) Closing Stock of Molasses including own production is valued at average purchase cost.
- (e) Modvat / Cenvat / Service Tax credits on materials / capital items are availed on purchases installation of assets respectively and utilised for payment of excise duty on goods manufactured and the unutilised credit is carried forward in the books.

**6. Revenue Recognition**

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

**7. Retirement Benefits**

**Defined Contribution Plans:**

The Company makes Provident fund and Superannuation contributions to defined contribution retirement benefit plans for qualifying employees. Under the Provident Fund scheme, the Company is required to contribute a specified percentage of payroll cost to the Employees Provident Fund Scheme, 1952 to fund the benefits. The Interest as declared by the Government from time to time accrues to the credit of the employees under the scheme. Under the Superannuation scheme, the company is required to contribute a specified percentage of payroll cost to underwriters to enable them to make the settlement to the qualifying employees.

**Defined benefit plans**

The Company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme of Reliance Life Insurance Company Limited, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Liability for unavailed leave for Kattur & sathamangalam plant workmen is actuarially valued and provided for but is not funded.

**Short Term Compensated absence:**

Leave encashment benefit for all employees except Kattur & Sathamangalam plant workmen is in the nature of short term compensated absence and accounted on accrual basis.

**8. Research and Development**

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

**9. Segment Reporting**

The accounting policies adopted for segmental reporting are in line with the accounting policies of the company with the following additional policies:

- (a) Inter-segment adjustments are carried out on estimated basis having regard to current trends wherever the actual cost is unascertainable.

(b) Revenues and expenses have been identified to segments wherever relatable on the basis of their relationship to specific operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not specifically allocable to segments on a reasonable basis have been included under "unallocated corporate expenses".

**10. Impairment of Assets**

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

**11. Provision of Contingent Liabilities**

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

**12. Earnings per Share**

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

**13. Taxes on Income**

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

**SCHEDULE 17****NOTES ON ACCOUNTS****1. Debentures**

Zero Coupon Bonds / Debentures are secured by the first charge on movable and immovable properties of the Parent Company situated in the State of Gujarat and Tamilnadu and Fixed Assets situated at Kattur.

**2. Term Loans**

(a) Loan from Sugar Development Fund (Government of India) for modernization / expansion / Cogeneration amounting to Rs.6627.75 lacs (Previous year Rs.5926.20 lacs) is secured by a paripassu charge on the whole of the immovable and movable properties including plant and machinery situated at Kattur.

(b) Loan from Bank of Rs. 4753.54 lacs (previous Rs.4734.50 lacs) consists of the following.

1. Loan from Bank for modernisation/expansion/Cogeneration amounting to Rs. 2038.60 Lacs (Previous year Rs.2037.07 lacs) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery of the Sathamangalam Sugar & Cogeneration unit.

2. Medium Term Loan (Central Excise) of Rs. 2714.94 lacs (Previous year Rs.2697.43 lacs) is secured by extension of first charge on the Fixed Assets of the Company at its Sathamangalam Sugar & Cogeneration unit.

(c) Cash credit from Bank of Rs. NIL lacs (Previous year Rs.706.54 lacs is secured by hypothecation of goods produced, merchandise and stock stored in Pandavpura and Kattur sugar unit not exceeding 26,271 and 32,866 bags of Sugar respectively).

(d) Loan from Holding Company is secured on the hypothecation of movable properties including movable Plant and Machinery and inventories situated at Kattur unit.

(e) Unsecured Loans except Agriculture and Irrigation loan are Interest free

**3. Capital Redemption Reserve:**

A Sum of Rs. 9.17 lacs (Previous Year Rs.58.12 lacs) has been appropriated towards the above reserve on redemption of Preference Shares for Rs.64.26 lacs as per AAIFR order dated 17-06-2004. Balance sum of Rs.76.57 lacs (Previous Year Rs.6.14 Lacs) and previous balance of Rs.6.14 lacs will be appropriated on availability of Profits.

**4. Employee Benefits:**

The company has adopted Accounting Standard AS(Revised 2005) "Employee Benefits". There is however no additional liability on account of such adoption. Liability in respect of Gratuity to eligible employees is covered under an insurance policy and declaration has been provided to the underwriters including its employees along with that of its associate viz. Kothari Petrochemicals Limited as permitted in the variation deed dated 27-11-1987 of Kothari Sugars and Chemicals Limited Gratuity Trust. The contribution made in earlier years and investments as on 31-03-2009 as per actuarial valuation made by Projected Unit Credit Method is cumulatively adequate to cover the liability of both Kothari sugars and chemicals and its Associate Kothari petrochemicals as on 31.03.2009

The unavailed leave to the credit of employees of Kattur and Sathamangalam is as given below :

Disclosure Table – valuation as on 31.03.2009	Rs. 000's
Accrued Liability as at beginning of the period	480
Interest cost	36
Current Service Cost	(118)
Past Service Cost	0
Curtailment Cost	0
Settlement Cost	0
Benefits Paid	0
Actuarial Gain / Loss	266
Accrued Liability as at the end of the period	664

(No fund is being maintained)

Amounts to be recognized in the balance sheet	Rs. 000's
Present value of obligations as on the accounting date	664
Fair value of the plan assets (zero as no fund is being maintained)	0
Liability to be recognized in the Balance Sheet	(664)

Expenses to be recognized in P/L Account	Rs. 000's
Interest cost	36
Current Service Cost	(118)
Past Service Cost	0
Expected Return on Plan Assets	0
Curtailment cost (credit)	0
Settlement cost (Credit)	0
Net Actuarial (gain)/loss	266
Net Expenses to be recognized in P&L a/c	184

Reconciliation	Rs. 000's
Net Liability as at the beginning of the period	480
Net expenses in P/L a/c	184
Benefits paid	0
Net Liability as at the end of the period	664

Principal Actuarial Assumptions :	
Interest Rate (Liabilities)	7.50%
Return on Assets	N.A.
Mortality Table	LIC(94-96)
Resignation Rate per annum	5.00%
Salary Escalation Rate	10.00%

## 5. Contingent Liabilities: -

- (a) The hike in the basic minimum price of sugarcane for the sugar year 2002-03 after fixation of statutory minimum price notified by the Central Government on 9th January 2003 has been legally challenged by the South Indian Sugar Mills Association (of which the company is a member), and the matter is subjudice. Based on legal advice, pending disposal of the case no provision has been considered for the same in the books. The amount is not quantifiable at this stage.
- (b) Excise duty demands under appeal Rs.275.52 Lacs (Rs.348.92 Lacs).
- (c) Income Tax demands under appeal Rs.178.64 Lacs (Rs.Nil Lacs)
- (d) Claims against the company not acknowledged as debt amount to Rs. 1.98 Lacs (Rs.1.98 Lacs)
- (e) Estimated amount of Contracts remaining to be executed on Capital Account & not provided for, amount to Rs.28.51 Lacs (Rs.295.70 Lacs).
- (f) Urban Land Tax under appeal Rs.36 lacs. (Rs.34 Lacs).
- (g) Customs Duty under appeal Rs.73.39 lacs. (Rs.73.39 lacs).
- (h) Other Contingent Liabilities:

(Rs. in Lacs)

Contingent Liabilities	31-03-2009	31-3-2008
Guarantees to banks on behalf of other companies	600.00	600.00
Bank Guarantees/ Letter of credit	846.20	800.77
Corporate Guarantees to banks on behalf of farmers	634.00	1917.00

6. The company has not received information from vendors regarding their status under Micro small and medium enterprises Act 2006, the disclosures relating to amounts unpaid as at the year end together with interest payable/paid under this Act have not been given.

7. Other income includes liabilities / provisions no longer required written back during the year Rs.102.81 lacs (Previous year Rs.113.19 lacs)

8. Quantitative information in respect of goods manufactured

### (a) Installed Capacity as certified by the Management

Items	Unit	31.03.2009	31.03.2008
Sugar	TCD	6,400	6,400
Industrial Alcohol	KLPA	18,000	13,500

### (b) Raw Materials Consumed

(Rs. in Lakhs)

Items	31.03.2009		31.03.2008	
	Quantity (MT)	Value	Quantity (MT)	Value
Sugarcane	13,10,205	19,364.94	20,61,402	17,382.90
Others	-	1,064.94	-	2,466.55
<b>Total</b>	<b>13,10,205</b>	<b>20,429.88</b>	<b>20,61,402</b>	<b>19,849.45</b>
Of the above				
Imported	0 %	NIL	0 %	NIL
Indigenous	100 %	20,429.88	100 %	19,849.45
<b>Total</b>		<b>20,429.88</b>		<b>19,849.45</b>

### (c) Finished Goods

(Rs. in Lakhs)

Particulars	Unit	31.03.2009		31.03.2008	
		Quantity	Value	Quantity	Value
<b>Sugar:</b>	Quintals				
Opening Stock		278,450.00	-	151,082.00	-
Production		1,234,177.00	-	1,952,538.00	-
Sales		1,307,415.00	20,449.02	1,825,170.00	21,628.32
Closing Stock		205,212.00	-	278,450.00	-
<b>Molasses :</b>	MT				
Opening Stock		19,364.10	-	11,690.00	-
Production		47,824.66	-	154,015.10	-
Purchase		-	-	-	-
Sales		22,699.69	1026.64	24,513.00	272.41
Internal Consumption		31,013.25	-	121,828.00	-
Closing Stock		13,475.82	-	19,364.10	-

NOTES ON ACCOUNTS

<b>Petrochemicals:</b>	MT				
Opening Stock		-	-	28.00	-
Production		-	-	-	-
Production -Conversion		-	-	-	-
Sales		-	-	-	-
Sales -Conversion		-	-	-	-
Internal Consumption		-	-	28.00	-
Closing Stock		-	-	-	-
<b>Power:</b>	Mwh				
Opening Stock		-	-	-	-
Production		104,429,836	-	167,466	-
Purchase		1,006,500	-	2,043	-
Sales		62,260,300	1968.32	92,405	1,984.80
Internal Consumption		43,176,036	-	77,104	-
Closing Stock		-	-	-	-
<b>Industrial Alcohol:</b>	KLs				
Opening Stock		440.05	-	561.00	-
Production		15,695.21	-	13,513.05	-
Sales		14,083.83	3143.22	13,634.00	3,183.72
Internal Consumption		-	-	-	-
Closing Stock		2,051.42	-	440.05	-

		31.03.2009	31.03.2008
9. Expenditure incurred in foreign currency on account of:			(Rs. in Lakhs)
Travelling		20.64	25.71
10. (a) Auditors' Remuneration:			
Audit Fees		2.25	2.00
Certification Work		1.57	0.83
<b>Total</b>		<b>3.82</b>	<b>2.83</b>
(b) Cost Auditors' Remuneration:			
Cost Audit Fees		0.15	0.15
11. CIF Value of imports:			
Raw Materials		Nil	Nil
Capital goods		Nil	51.93
12. Earnings in Foreign Currency			
Sales on FOB basis		1796.07	388.02
13. (a) Remuneration to Managing Director			
Salaries		48.00	48.00
Contribution to Provident Fund		5.76	5.76
<b>Total</b>		<b>53.76</b>	<b>53.76</b>

**(b) Calculation of Managerial Remuneration under Section 198 of the Companies Act, 1956**

	2008-09		2007-08	
<b>Net Profit Before Tax</b>		114.79		1149.96
<b>Add:</b>				
1. Depreciation provided in Accounts	1297.67		954.36	
2. Director's remuneration	53.76		53.76	
3. Directors Sitting Fees	1.35		0.90	
4. Loss of capital nature including loss on sale of the undertakings of a company	-		-	
<b>Total</b>		<b>1352.78</b>		<b>1009.02</b>
<b>Less:</b>				
1. Profits from the sale of the immovable property or fixed assets of a capital nature	-	1467.57	-	2158.98
2. Depreciation under Section 350 of the Act	1297.67		954.36	
<b>Total</b>		<b>1297.67</b>		<b>954.36</b>
<b>Net Profit for Section 198 of the Companies Act, 1956</b>		<b>169.90</b>		<b>1204.62</b>

In view of inadequacy of profits, the Managing Director is paid the minimum remuneration of Rs.53.76 lacs as approved by the Members and not any Commission.



## 14. (a) Segment Disclosure

### A. Primary Segment Information

(Rs. in Lakhs)

	Sugar		Distillery		Eliminations		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>1.REVENUE</b>								
External sales	24534.67	22310.46	1432.62	3265.27	-	-	25967.29	25575.73
Inter segmental revenue	157.66	414.21	-	-	(157.66)	(414.21)	-	-
Total revenue	24692.33	22724.67	1432.62	3265.27	(157.66)	(414.21)	25967.29	25575.73
<b>2.RESULTS</b>								
Segment	84.51	(879.24)	1223.80	1890.28	-	-	1308.31	1011.04
Unallocated (Exp.)/Income	-	-	-	-	(729.89)	(308.16)	(729.89)	(308.16)
Interest expenses	(545.71)	-	-	-	-	(487.72)	(545.71)	(487.72)
Interest and dividend Income	-	-	-	-	82.08	710.90	82.08	710.90
Profit/(loss)	(461.20)	(879.24)	1223.80	1890.28	(647.81)	(84.98)	114.79	926.06
<b>3.OTHER INFORMATION</b>								
Segment Assets	25581.23	25298.68	4614.66	2409.74	-	-	30195.89	27708.66
Unallocated assets	-	-	-	-	-	-	6548.99	11166.48
Total Assets	25581.23	25298.68	4614.66	2409.74	-	-	36744.88	38875.14
Segment Liabilities	13091.85	16005.50	1068.54	316.61	-	-	14160.39	16322.11
Unallocated Liabilities	-	-	-	-	-	-	12628.35	12581.36
Total Liabilities	13091.85	16005.50	1068.54	316.61	-	-	26788.74	28903.47
Capital Expenditure	489.21	15339.57	1456.66	698.58	29.40	-	1975.26	16038.15
Depreciation	1075.86	817.42	195.41	117.26	26.40	-	1297.67	934.68
Noncash expenses	-	-	-	-	-	-	-	-
Other than depreciation	-	937.47	-	9.92	-	-	-	-

### B. Secondary Segment Information

2008-09

2007-08

Particulars	India	Rest of the World	India	Rest of the World
1. Revenue by Geographical Market	25967.29	-	25,575.73	-
2. Carrying amount of Segment Assets	30195.89	-	27,708.66	-
3. Additions to Fixed / Intangible Assets	1975.26	-	16,038.15	-

### (c) Notes Relating to Segment

#### i) Business Segments

The company has considered business segments as the primary segments for disclosure. The business segments are: Sugars, Distillery.

Sugar segment comprises of sugar, molasses and cogeneration. Distillery segment comprises of rectified spirit and denatured spirit.

The above segments have been identified taking into account the organisation structure as well as the differing risks and returns of these segments

#### ii) Geographical Segments

The geographical segment considered for disclosure is India and Rest of the world. All the manufacturing facilities and sales offices are located in India. Sales to the rest of the world are also serviced by Indian sales offices.

Geographical revenues are segmented based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognised.

#### iii) Segmental assets includes all operating assets used by respective segment and consists principally of operating cash, debtors, inventories and fixed assets net of allowances and provisions. Segmental liabilities include all operating liabilities and consist primarily of creditors and accrued liabilities.

15. (a) **Related Party Disclosures:**

Name of the Related Party	Relationship
Kothari International Trading Limited	Subsidiary Company
Kothari Bio-tech Limited	Associate Company
Kothari Safe Deposit Limited	Associate Company
Kothari Petrochemicals Limited	Associate Company
Century Foods Pvt. Limited	Associate Company
Parvathi Trading & Finance Co. Pvt. Limited	Holding Company
Mr. B.H.Kothari	Key Management Personnel

(b) **Transactions with Related Parties**

(Rs.in Lakhs)

Companies Particulars	Holding		Subsidiary		Associates		Key Personnel	
	08-09	07-08	08-09	07-08	08-09	07-08	08-09	07-08
Rent	-	-	-	-	27.46	26.96	-	-
Interest	-	-	-	-	4.04	-	-	-
Remuneration	-	-	-	-	-	-	53.76	60.21
Loan Given	-	-	-	-	146.59	-	-	-
Loan Taken	-	-	-	-	70.00	-	-	-
Outstanding balances as at 31.03.2009								
Loans and Advances	-	-	55.17	55.22	9.96	13.87	-	-
Secured Loans	1437.09	1554.62	-	-	-	-	-	-
Loans	2410.89	4132.64	-	-	-	-	-	-
Investment	-	-	99.98	99.98	1201.09	1537.00	-	-
Share Capital	5006.35	4787.60	-	-	-	-	-	-

16. **Earnings per Share:**

Particulars	2008-09	2007-08
Net Profit after Tax excluding exceptional item (Rs. in lacs)	84.17	1001.06
No. of Equity Shares of Rs. 10/- each	82888580	82888580
Earning per Share (Basic & Diluted) (Rs.)	0.10	1.21

17. **Provision for Taxation:**

**Deferred Tax:**

To comply with the Accounting Standard 22 Accounting for taxes on income, the company reviewed the deferred tax assets and liabilities. The timing differences relates mainly to depreciation and carry forward losses for the period upto 31.3.2009, resulting in a net deferred tax asset of Rs.153.13 Lacs (Rs.79.71 Lacs). As a prudent measure, this net deferred tax asset has not been recognised in the accounts.

18. **Operating Lease:**

The Company had entered into an agreement for Lease of Sugar Factory with an installed capacity of 3500 TCD for a period of seven years (Up to 31-03-2013) with "The Pandavapura Sahakari Sakkare Karhane Niyamit, a Co-operative society registered under the Karnataka Co-operative Societies Act,1959, with its registered office at Pandavapura RS, Pandavapura Taluk, Mandya Dist. In view of unviability, the company has suspended operations in Pandapura plant and is in dialogue with Government of Karnataka for cancellation of lease. Adjustment of financial implications if any will be carried out on completion of formalities for which steps have been initiated.

19. **Finance Lease:**

The Company has obtained Vehicle loan from Banks. The minimum EMI payments for future years are as follows:

(Rs. In Lakhs)

Particulars	Minimum EMI Payments	Present Value EMI Payments
Not Later Than One Year	7.68 (P.Y. 6.48)	7.33 (P.Y. 7.68)
Later Than One Year but not later than Five years	6.91(P.Y.13.62)	6.29 (P.Y.23.57)
Later Than Five years	-	-

20. Disclosure (pursuant to Clause 32 of the Listing Agreement with Stock Exchanges) (Rs. In Lakhs)

Loans/Advances to subsidiary company:	31st March 2009	31st March 2008
Kothari International Trading Limited	55.17	55.17
Maximum amount due at any time during the year	55.17	55.17

22. Consumption of Materials for the year is inclusive of additional cane price of Rs.100/- per MT amounting to Rs.653.24 lacs pertaining to 2007-08 of Pandavapura unit as announced by Government of Karnataka during the year.

23. The previous year's figures have been regrouped / rearranged wherever necessary to conform to the classification for the year. Figures for the previous year are not comparable with the current year as commercial operation at Sathamangalam commenced on 01.08.2007.

**STATEMENT PURSUANT TO SECTION 212(1)(e) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES**

**Holding Company** : Kothari Sugars and Chemicals Limited

**Subsidiary Companies** : Kothari International Trading Limited (KITL)

**Name of the Subsidiary Company**

	KITL
1. Financial Year of the Subsidiary Company ended on	31.03.2009
2. Year from which they become Subsidiary Company	1996
3. Share of the Subsidiary Company (KITL) held by the holding company KSCL at the end of the Financial Year of Subsidiary Company :	
a. Number of shares	999,950
b. Face Value of shares	Rs.10/-
c. Extent of Interest of holding company	99.99%
d. Quoted / Unquoted	Unquoted
4. The net aggregate amount of profit and loss for the subsidiary so far as it concerns members of the holding company.	
a. Not dealt with holding Company's accounts	
1. For the financial year ended 31.03.2009	(1.39)
2. For the previous Financial year of the Subsidiary Company since they became the holding Company's subsidiary.	(1.12)
b. Dealt within the holding Company's accounts	
1. For the financial year ended 31.03.2009	Nil
2. For the previous Financial year of the Subsidiary Company since they became the holding Company's subsidiary.	Nil
5. a. Holding Company's interest in Subsidiary as at end of the Financial year of Holding Company.	Not Applicable
b. Material changes in respect of Subsidiary	
1. Fixed Assets	No Change
2. Investments	No Change
3. Moneys lent	No Change
4. Moneys Borrowed	No Change

For and on behalf of the Board

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

**B H Kothari**  
Chairman & Managing Director

**P S Gopalakrishnan**  
Director

**R Rajaram**  
Partner  
M.No.25210

Place : Chennai  
Date : July 24, 2009

**PR Ramanathan**  
Company Secretary

**Information pursuant to Part IV of Schedule VI of the Companies Act, 1956**

**I. Registration Details**

Registration No.	18-4310
Balance Sheet Date	31.03.2009

State Code	18
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**II. Capital raised during the year (Amount in Rs. thousands)**

Public Issue	NIL
Bonus Issue	NIL

Right Issue	NIL
Private Placement	NIL

**III. Position of Mobilisation and Development of Funds (Amount in Rs. thousands)**

Total Liabilities	2836689
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Total Assets	2836689
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**Sources of Funds**

Paid-Up Capital	951386
Secured Loans	1638629

Reserves & Surplus	44229
Unsecured Loans	202445

**Application of Funds**

Net Fixed Assets	2083362
Net Current Assets	627297
Accumulated Losses	0

Investments	126030
Misc. Expenditure	0

**IV. Performance of Company (Amount in Rs. thousands)**

Turnover	2756823
Profit/(Loss) before Tax	11479
Earnings/Share in Rs.	0.10

Total Expenditure *	2745344
Profit/(Loss) After Tax	917
Dividend Rate %	0

\* Total Expenditure is net of Exceptional Item

**V. Generic names of the Principal Products/Services of Company**

Product Description	ITC Code
Sugar	17019902

For and on behalf of the Board

**B H Kothari**  
Chairman and Managing Director

**P S Gopalakrishnan**  
Director

**PR Ramanathan**  
Company Secretary

Place : Chennai  
Date : July 24, 2009

**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF KOTHARI SUGARS AND CHEMICALS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KOTHARI SUGARS AND CHEMICALS LIMITED AND ITS SUBSIDIARIES AND ASSOCIATE

We have examined the attached Consolidated Balance Sheet of Kothari Sugars and Chemicals Limited and its subsidiary Kothari International Trading Limited and the Balance Sheet of its associate Kothari Petrochemicals Limited as at March 31, 2009 and the consolidated Cash Flow statement for the year ended on that date annexed thereto.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of these subsidiaries whose financial statements reflect total assets of Rs.38.63 Lakhs as at March 31, 2009 and total revenues of Rs.Nil Lakhs for the year then ended. The consolidated financial statements have been prepared based on the audited financial statements of the subsidiary, Kothari International Trading Limited as on 31.03.2009 and the audited financial statements of the associate Kothari Petrochemicals Limited as on 31.03.2009. The financial statements of the subsidiary has been audited by other auditor whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, Accounting Standard (AS) 23, Accounting for investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of KOTHARI SUGARS AND CHEMICALS LIMITED and its subsidiary and its associate included in the consolidated financial statements.

Further to our comments referred to above, we report that:

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of KOTHARI SUGARS AND CHEMICALS LIMITED and its aforesaid subsidiary and its associate, we are of the opinion that:

- a. The consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of KOTHARI SUGARS AND CHEMICALS LIMITED AND ITS SUBSIDIARY AS AT March 31, 2009
- b. The consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of KOTHARI SUGARS AND CHEMICALS LIMITED, its subsidiary and its associate for the year then ended and
- c. The consolidated Cash Flow Statement gives the Cash Flows for the year ended on that date.

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

Place: Chennai  
Date : July 24, 2009

**R.Rajaram**  
Partner  
M.No.25210

**Balance Sheet as at March 31, 2009**

(Rs.in Lakhs)

	Schedule	31-Mar-09	As at 31-Mar-08
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
a. Capital	1	9,513.86	9,613.89
b. Reserves & Surplus	2	1,496.39	1,004.69
		<u>11,010.25</u>	<u>10,618.58</u>
<b>Minority Interest</b>			
		-	-
<b>Loan Funds</b>			
a. Secured Loans	3	16,386.29	16,794.72
b. Unsecured Loans	4	2,207.11	2,017.36
		<u>18,593.40</u>	<u>18,812.08</u>
<b>Total</b>		<u>29,603.65</u>	<u>29,430.66</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
a. Gross Block	5	30,496.78	28,532.57
b. Less : Depreciation		10,302.69	9,009.08
Net Block		<u>20,194.09</u>	<u>19,523.49</u>
Capital Work in Progress including advances		639.56	693.46
		<u>20,833.65</u>	<u>20,216.95</u>
<b>Investments</b>			
	6	2,482.04	5,803.00
<b>Current Assets, Loans &amp; Advances</b>			
a. Inventories	7	6,625.22	5,358.01
b. Sundry Debtors		544.18	1,018.19
c. Cash and Bank Balances		4,552.09	5,098.41
d. Loans & Advances		3,155.67	3,072.50
		<u>14,877.16</u>	<u>14,547.11</u>
<b>Less : Current Liabilities &amp; Provisions</b>			
a. Current Liabilities	8	8,186.46	10,743.26
b. Provisions		402.74	393.14
		<u>8,589.20</u>	<u>11,136.40</u>
<b>Net Current Assets</b>		<u>6,287.96</u>	<u>3,410.71</u>
<b>Total</b>		<u>29,603.65</u>	<u>29,430.66</u>
Significant Accounting Policies	13		
Notes on Accounts	14		

Schedules 1 to 8, 13 & 14 form part of this Balance Sheet

This the Balance Sheet referred to in our report of even date for **R.Subramanian and Company** Chartered Accountants

For and on behalf of the Board

**B H Kothari**  
Chairman & Managing Director

**P S Gopalakrishnan**  
Director

**R Rajaram**  
Partner  
M.No.25210

Place : Chennai  
Date : July 24, 2009

**PR Ramanathan**  
Company Secretary

**Profit & Loss Account for the year ended March 31, 2009**

	Schedule	31-Mar-09	(Rs.in Lakhs) As at 31-Mar-08
<b>INCOME</b>			
Sales (Gross)	9	27,133.91	27,266.49
Less: Excise Duty		1,324.29	1,690.76
Sales (Net)		25,809.63	25,575.73
Other Income	10	1,758.60	1,474.76
<b>Total</b>		<b>27,568.23</b>	<b>27,050.50</b>
<b>EXPENDITURE</b>			
Raw Materials Consumed	11	20,429.88	19,849.45
Manufacturing and Other Expenses	12	6,211.53	5,525.81
Increase/(Decrease) in Stock of Finished Goods & WIP	13	(1,457.48)	(915.69)
<b>Total</b>		<b>25,183.93</b>	<b>24,459.58</b>
<b>Profit before Interest and Depreciation</b>		<b>2,384.30</b>	2,590.92
Interest	14	545.71	487.72
Depreciation		1,297.67	954.37
Profit/(Loss) for the year before exceptional item		540.92	1,148.83
Add: Exceptional item	15	(427.52)	-
<b>Profit/Loss for the year before minority interest and share in associate</b>		<b>113.40</b>	1,148.83
Less: Minority interest		-	-
Add: Share of Profit before exceptional income in associate		20.93	118.10
Add: Share of Loss in exceptional items in associate		-	-
<b>Profit/(Loss) for the year</b>		<b>134.33</b>	1,266.93
Less: Tax Adjustment		13.32	131.03
Less: Fringe Benefit Tax		17.30	17.87
<b>Profit/(Loss) for the year after Tax</b>		<b>103.71</b>	1,118.03
Less: Transfer to Debenture Redemption Reserve		75.00	75.00
Less: Transferred to Capital Redemption Reserve		9.17	58.12
		19.54	984.91
Add: Balance brought forward		213.44	(826.79)
Add: Reduction in Loss carried forward on Account of Dis-investment in Associates		174.55	55.32
Balance carried to the Balance Sheet		407.53	213.44
Earnings per share - Basic & Diluted (Rs.) Face value of Rs.10			
- Before Exceptional item		0.13	1.35

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This the Profit and Loss account referred to in our report of even date

For and on behalf of the Board

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

**B H Kothari**  
Chairman & Managing Director

**P S Gopalakrishnan**  
Director

**R Rajaram**  
Partner  
M.No.25210

Place : Chennai  
Date : July 24, 2009

**PR Ramanathan**  
Company Secretary

**Cash Flow Statement Annexed to the Balance Sheet for the year ended March 31, 2009** (Rs.in Lakhs)

	31-Mar-09	As at	31-Mar-08
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit / (Loss) after extra-ordinary items	134.33		1148.52
<b>Adjustments for :</b>			
Depreciation	1,297.67		785.18
Provision for diminution in value of short term investments	-		-
Interest Received	(364.87)		(372.55)
Adjustments for Reserves	387.99		
Relief on one time settlement of debts	-		-
Dividend Income	(82.08)		(338.35)
Provision for diminution in value of short term investments			42.27
Interest paid	545.71		487.72
(Profit) / Loss on Sale of Asset (Net)	(11.22)		(257.36)
	<u>1773.21</u>		<u>347.78</u>
<b>Operating Profit before Working Capital changes</b>	<b>1,907.53</b>		<b>1,497.09</b>
Trade Debtors and Other Receivables	474.01		(633.24)
Loans and Advances	(29.16)		513.78
Inventories	(1,267.21)		(2,443.94)
Trade Payables	(2,577.82)		3,440.73
	<u>(3,400.18)</u>		<u>877.33</u>
<b>Cash Generation from Operations</b>	<b>(1,492.65)</b>		<b>2,374.42</b>
Less: Direct Taxes paid	54.01		17.87
<b>Net Cash Generation from Operating Activities - (A)</b>	<b>(1,546.66)</b>		<b>2,356.55</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	(1,968.27)		-
Capital Work in Progress	53.90		14,058.41
Redemption of Investments	3,320.97		-
Interest Received	364.87		372.55
Dividend Income	82.08		595.71
Purchase / Sale of Investments (Net)	11.22		(3,115.17)
<b>Net Cash from investing activities - (B)</b>	<b>1,864.77</b>		<b>(3,775.59)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Redemption of Preference Share Capital	(100.03)		(74.97)
Secured Loans	(408.43)		1,376.69
Unsecured Loans	189.75		(648.04)
Interest	(545.71)		(487.72)
<b>Net Cash used in Financing activities - (C)</b>	<b>(864.42)</b>		<b>165.92</b>
Net Increase / (Decrease) in Cash and Cash equivalents - A+B+C	(546.32)		(1,253.12)
Cash and Cash equivalents at the beginning of the year	5,098.41		6,351.53
Cash and Cash equivalents at the close of the year	4,552.09		5,098.41
	<u>546.32</u>		<u>1,253.12</u>

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

For and on behalf of the Board

for **R.Subramanian and Company**

Chartered Accountants

**B H Kothari**  
Chairman & Managing Director

**P S Gopalakrishnan**  
Director

**R Rajaram**  
Partner  
M.No.25210

Place : Chennai  
Date : July 24, 2009

**PR Ramanathan**  
Company Secretary



(Rs.in Lakhs)

Schedule forming part of the Consolidated Financials for the year ended March 31, 2009		As at	
		31-Mar-09	31-Mar-08
<b>Schedule 1</b>			
<b>AUTHORISED SHARE CAPITAL</b>			
130,000,000	Equity shares of Rs.10 each	13,000.00	13,000.00
1,200,000	Redeemable Preference shares of Rs.100 each	1,200.00	1,200.00
2,000,000	Redeemable Preference shares of Rs.10 each	200.00	200.00
	<b>Total</b>	<u>14,400.00</u>	<u>14,400.00</u>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>			
<b>Redeemable Preference Shares Capital</b>			
1,200,000	Zero Percent Redeemable Preference shares of Rs.100 each fully paid	1,200.00	1,200.00
	<b>Less :</b> Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	150.00	64.26
	<b>Balance (a)</b>	<u>1,050.00</u>	<u>1,135.74</u>
2,000,000	Zero Percent Redeemable Preference shares of Rs.10 each fully paid	200.00	200.00
	<b>Less :</b> amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	25.00	10.71
	<b>Balance (b)</b>	<u>175.00</u>	<u>189.29</u>
	<b>Total (a+b)</b>	<u>1,225.00</u>	<u>1,325.03</u>
<b>EQUITY SHARE CAPITAL</b>			
82,888,580	Equity Shares of Rs.10 each fully paid {Of the above Holding Co. holds 45,890,000 shares (PY 4,74,02,697)}	8,288.86	8,288.86
	<b>Total</b>	<u>8,288.86</u>	<u>8,288.86</u>
	<b>Total</b>	<u>9,513.86</u>	<u>9,613.89</u>
<b>Schedule 2</b>			
<b>RESERVES &amp; SURPLUS</b>			
	Capital redemption reserve	58.12	58.12
	Add : Additions during the year	9.17	-
	<b>(a)</b>	<u>67.29</u>	<u>58.12</u>
<b>Debenture Redemption Reserve</b>			
	As per last Balance Sheet	300.00	225.00
	Less : Adjustment	-	-
	Add: Additions during the year	75.00	75.00
	<b>(b)</b>	<u>375.00</u>	<u>300.00</u>
	Brought forward from Profit & Loss A/c	407.53	213.44
	Provision on Investment in Associate	646.57	433.13
	<b>(d)</b>	<u>646.57</u>	<u>433.13</u>
	<b>Total (a+b+c+d)</b>	<u>1496.39</u>	<u>1,004.69</u>

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(Rs.in Lakhs)

As at

Schedule 3		31-Mar-09	31-Mar-08
<b>SECURED LOANS</b>			
<b>Debentures</b>			
20,31,018	Zero Coupon Bonds of Rs.100/- each redeemable at par from 4th (2007-2008) to 10th year (2013-2014) <b>Less</b> : Amount paid towards redemption in quarterly instalments as per AAIFR order dated 17.06.2004	<b>2,031.02</b>	2031.02
		<u>507.76</u>	<u>217.83</u>
		<b>1,523.26</b>	1,813.19
20,31,017	Zero Coupon Bonds of Rs.100/- each redeemable at par at the end of 25th year (2029-2030) [Ref.Schedule17(2)]	<b>2,031.02</b>	2031.02
	<b>Total</b>	<b>3,554.28</b>	3,844.21
<b>Term Loans</b>			
	From Banks {Refer schedule 17 (3) (b)} Sugar Development Fund - Govt. of India {Refer schedule 17 (3) (a)}	<b>4,753.54</b>	4,734.50
	<b>Total</b>	<b>6,627.75</b>	5,926.20
	<b>Total</b>	<b>11,381.29</b>	10,660.70
<b>Other Loans</b>			
	Cash Credit loan from Bank	-	706.54
	Holding Company { Refer Schedule 17 (3) (c)}	<b>1,437.09</b>	1,554.62
	Hire Purchase Loans (Secured against Vehicles)	<b>13.62</b>	28.65
	<b>Total</b>	<b>1,450.71</b>	2,289.81
	<b>Total</b>	<b>16,386.29</b>	16,794.72
<b>Schedule 4</b>			
<b>UNSECURED LOANS</b>			
<b>Other Loans &amp; Advances</b>			
	Interest-free Sales tax Loan under IFST Scheme	-	187.02
	Inter Corporate Loan {Refer Schedule 17 (3) (d)}	<b>1,273.16</b>	1,362.18
	Agriculture Loan & Irrigation Loan	<b>933.95</b>	468.16
	<b>Total</b>	<b>2,207.11</b>	2,017.36

**Schedule 5**

**FIXED ASSETS - Consolidated**

(Rs.in Lakhs)

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.08	Additions/ Adjustment	Deductions	As at 31.03.09	As at 01.04.08	For the Year	Deductions	As at 31.03.09	As at 31.03.09	As at 31.03.08
Land	365.48		3.81	361.67	-	-	-	-	361.67	365.48
Buildings	3,015.89	26.89		3,042.78	485.24	90.51		575.75	2,467.03	2,530.65
Plant & Machinery	24,761.17	1,944.47		26,705.64	8,390.81	1,182.40		9,573.21	17,132.43	16,370.36
Vehicles	132.86	0.08	7.24	125.70	49.59	12.26	4.06	57.79	67.91	83.27
Furniture & Fittings	183.47	3.82		187.29	73.67	8.83		82.50	104.79	109.80
Leased Vehicles	73.70	-		73.70	9.76	3.68		13.44	60.26	63.94
Sub Total	28,532.56	1,975.26	11.05	30,496.77	9,009.08	1,297.68	4.06	10,302.70	20,194.09	19,523.49
Capital WIP including advances *	693.46	653.49	707.39	639.56					639.56	693.46
<b>Total</b>	<b>29,226.02</b>	<b>2,628.75</b>	<b>718.44</b>	<b>31,136.33</b>	<b>9,009.08</b>	<b>1,297.68</b>	<b>4.06</b>	<b>10,302.70</b>	<b>20,833.65</b>	<b>20,216.95</b>
Previous Year	27,597.34	17,383.11	(15,315.11)	29,226.02	8,223.90	954.37	3.17	9,009.07	20,216.96	19,373.45

\*Refer Schedule 16 (3)

	(Rs.in Lakhs)	
	31-Mar-09	31-Mar-08
	As at	
<b>Schedule 6</b>		
<b>INVESTMENT</b>		
<b>A. LONG TERM INVESTMENTS</b>		
Government Securities	0.06	0.06
<b>Trade Investments</b>		
Equity Shares - Quoted		
Associate	1,245.02	980.90
Others	182.03	8.50
Equity Shares - Unquoted	882.18	5.20
<b>B. CURRENT INVESTMENTS</b>	174.75	4,815.68
Less : Provision for Diminuation in Value of Investments	(2.00)	(7.34)
<b>Total</b>	<u>2,482.04</u>	<u>5,803.00</u>
<b>Schedule 7</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>A. CURRENT ASSETS</b>		
<b>a. Inventories</b>		
Raw Material stock	134.92	375.00
Stores and Spare Parts stock	499.96	449.87
<b>Stock- in-trade :</b>		
Sugar stock	3,867.65	4,042.53
Molasses stock	1,411.67	180.60
Industrial Alcohol stock	494.69	36.69
Work in process stock	216.33	273.32
<b>Total</b>	<u>6,625.22</u>	<u>5,358.01</u>
<b>b. Sundry Debtors (Unsecured and considered good)</b>		
Outstanding for a period of more than six months	27.02	51.79
Other Debts	517.16	966.40
<b>Total</b>	<u>544.18</u>	<u>1,018.19</u>
<b>c. Cash and Bank Balances</b>		
Cash on Hand	2.66	7.46
Cash in Transit	-	393.98
Balances with Scheduled Banks :	-	2.79
on Current Accounts	819.18	755.98
on Unclaimed Dividends / Debenture Redemption and fractional warrant accounts	4.12	4.24
on Deposit Accounts	3,723.45	3,917.68
[Includes Security pledged to Banks for margin Rs.150.70 Lakhs]		
- Balances with Non-Scheduled Bank on Current Account (Thiruchirapalli District Central Co-operative Bank Ltd. & Mandya Dist Co-op Bank Ltd.) maximum amount outstanding at any time during the year Rs.158.23 lakhs.	2.68	16.28
<b>Total</b>	<u>4,552.09</u>	<u>5,098.41</u>

(Rs.in Lakhs)

As at

31-Mar-09 31-Mar-08

**B. LOANS AND ADVANCES**

(Unsecured & considered good unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received

Considered good 1,438.95 1,941.56

Considered Doubtful 55.54 55.54

1,494.49 1,997.10

**Less :** Provision for doubtful advances 55.54 55.54

1,438.96 1,941.56

Advance payment of Income-Tax & Tax Deducted at Source 815.75 623.18

Balance with Central Excise Authorities 215.12 419.05

Deposits, Others 685.85 88.71

**Total** 3,155.67 3,072.50

**Schedule 8**

**CURRENT LIABILITES & PROVISIONS**

**CURRENT LIABILITIES**

Sundry Creditors 5,114.41 5,027.07

Bank Over Draft 175.74 175.74

Interest accrued but not due on loans 21.95 21.95

Investor Education and Protection Fund (not due) 4.12 4.24

Unclaimed Dividends / Debenture Redemption and fractional warrants

Other Liabilities 2,870.24 5,514.26

**Total** 8,186.46 10,743.26

**PROVISIONS**

For Wealth Tax 1.32 1.32

For Income Tax 385.42 372.10

For Fringe Benefit Tax 16.00 19.72

**Total** 402.74 393.14

**Schedule 9**

**SALES**

Sugar 20,900.84 21,628.32

Molasses 1,026.64 272.41

Bagasse 94.89 197.24

Industrial Alcohol 3,143.22 3,183.72

Electric Power 1,968.32 1,984.80

**Total** 27,133.91 27,266.49

**Schedule 10**

**OTHER INCOME**

Rent received 2.13 40.05

Interest income 364.87 372.55

Dividend 82.08 338.35

Profit on Sale of Investments 11.22 257.36

Subsidy on Export/Interest on Buffer stock 353.17 181.33

Provision Written Back 102.81 113.19

Prov for Diminution in Value of Short term Investments written back 490.54 -

Exchange Rate Fluctuation 66.83 -

Other Miscellaneous Income 284.95 171.93

**Total** 1,758.60 1,474.76

	(Rs.in Lakhs)	
	As at	
	31-Mar-09	31-Mar-08
<b>Schedule 11</b>		
<b>MATERIAL CONSUMED</b>		
Raw Material	19,364.94	18,863.61
Chemicals and Others	626.68	730.17
Others	438.26	255.67
<b>Total</b>	<u>20,429.88</u>	<u>19,849.45</u>
<b>Schedule 12</b>		
<b>MANUFACTURING AND OTHER EXPENSES</b>		
Salaries, Wages & Bonus	1,521.16	1,343.60
Managing Director Remuneration	48.00	60.21
Employees' Welfare expenses	93.99	151.97
Contribution to Provident and other funds	108.19	193.49
Power & Fuel	755.45	437.15
Freight and Transport	98.27	273.75
Lease Rent	788.82	629.17
Rent	38.39	40.50
Rates & Taxes	42.96	36.71
Excise Duty-Expunged	473.23	637.78
Repairs & Maintenance - Buildings	157.08	151.16
Repairs & Maintenance - Machinery	1,250.19	1,075.40
Repairs & Maintenance - Others	58.35	56.44
Insurance	103.52	74.39
Directors' Sitting Fees	1.35	0.90
Directors' Travelling Expenses	32.17	48.68
Auditors' Remuneration	3.88	2.83
Research and Development exps	3.88	-
Bank Charges	47.73	71.55
Conveyance - Local	14.88	23.70
Travelling other than Directors	80.33	63.28
Professional Fees	110.32	128.04
Commission	116.72	100.72
Loss on Sale of Assets	1.15	1.40
Prov for Diminution in Value of Short term Investments	-	283.54
Miscellaneous	25.82	6.54
Administration Expenses - Other	235.70	170.18
	<u>6,211.53</u>	<u>6,063.08</u>
<b>LESS: Project Expenses taken to CWIP</b>	-	537.27
	<u>6,211.53</u>	<u>5,525.81</u>

(Rs.in Lakhs)

As at

31-Mar-09 31-Mar-08

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**Schedule 13**

**INCREASE/DECREASE IN STOCK**

Opening Stock

Work in process	273.32	134.11
Work in process (Trial Production)	-	86.47

Finished Stock :

Sugar (Commercial production)	4,042.53	2,105.42
Molasses	180.60	175.75
Molasses (Trial production)	-	33.37
Industrial Alcohol	36.68	63.97
Sugar (Trial Production)	-	1,018.35

Closing Stock

Work in process	216.33	273.32
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Finished Stock :

Sugar	3,867.65	4,042.53
Molasses	1,411.94	180.60
Industrial Alcohol	494.69	36.68

<b>Total</b>	<b>5,990.61</b>	<b>4,533.13</b>
	<b>(1,457.48)</b>	<b>(915.69)</b>

**Schedule 14**

**INTEREST**

Term Loans	481.59	444.70
Other Loans	64.12	272.77
	545.71	717.47

**Less: Project Expenses taken to CWIP**

<b>Total</b>	<b>545.71</b>	<b>487.72</b>
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**Schedule 15**

Exceptional Item

Interest payable under sales tax settlement scheme	577.73	-
Less : Principle waiver under Sales Tax settlement scheme	(150.21)	-

<b>Total</b>	<b>427.52</b>	<b>0.00</b>
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**Schedule 16****SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention, as applicable to a going concern, as adopted consistently by the company.

**2. Basis of Consolidation**

The financial statements are prepared in accordance with principles and procedures for the preparation and presentation of consolidated financial statements as laid down in Accounting Standard 21 (AS 21).

**3. Fixed Assets & Depreciation**

(a) Fixed assets are recorded at cost and cost includes appropriate direct and allocated expenses including interest on specified borrowings for acquisition of assets upto the date of commencement of commercial production. Technical know-how fees in respect of specific turnkey projects are capitalised.

(b) Depreciation on fixed assets is provided at Straight Line Method in accordance with Schedule XIV to the Companies Act, 1956. Based on technical opinion, plant and machinery have been classified as continuous process plant and depreciation has been provided at 5.28% on the original cost. Assets costing less than Rs.5000/- are fully depreciated.

**4. Foreign Currency Transaction**

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

**5. Investments**

All Investments are stated at cost and provision for diminution other than temporary in value of Long Term Investments is made to reflect its quoted / fair value. Current investments are carried at lower of cost or fair value and determined on an individual investment basis.

**6. Inventories**

(a) Raw Materials and Stores and Spares are valued at weighted average cost.

(b) Finished Stocks are valued at cost (including applicable overheads and excise duty) or net realisable values whichever is lower.)

(c) Work-in-Process value is derived from the value of finished goods less estimated cost of work still to be completed.

(d) Closing Stock of Molasses including own production is valued at average purchase cost.

(e) Modvat /Cenvat / Service Tax credits on materials / capital items are availed on purchases installation of assets respectively and utilised for payment of excise duty on goods manufactured and the unutilised credit is carried forward in the books.

**7. Revenue Recognition**

(a) All revenues are accounted on accrual basis

(b) Sales are net of discounts and sales tax.

**8. Retirement Benefits****Defined contribution plans**

The Company makes Provident fund and Superannuation contributions to defined contribution retirement benefit plans for qualifying employees. Under the Provident Fund scheme, the Company is required to contribute a specified percentage of payroll cost to the Employees Provident Fund Scheme, 1952 to fund the benefits. The Interest as declared by the Government from time to time accrues to the credit of the employees under the scheme. The Superannuation scheme the company is required to contribute a Specified percentage of payroll cost to underwriters to enable them to make the settlement to the qualifying employees. Leave encashment benefit for all employees except Kattur & Sathamangalam plant work men is in the nature of short term compensated absence and accounted on accrual basis.

**Defined benefit plans**

The company makes annual contributes to the Employees' Group Gratuity - cum-life Assurance scheme of an insurance company, a funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Liability for Kattur & Sathamangalam plant workmen is actuarially valued and provided for but is not funded. There are no employees in the subsidiary.

**9. Research and Development**

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

**10. Segment Reporting**

The accounting policies adopted for segmental reporting are in line with the accounting policies of the company with the following additional policies:

- (a) Inter-segment adjustments are carried out on estimated basis having regard to current trends wherever the actual cost is unascertainable.
- (b) Revenues and expenses have been identified to segments wherever relatable on the basis of their relationship to specific operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not specifically allocable to segments on a reasonable basis have been included under "unallocated corporate expenses".

**11. Impairment of Assets**

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

**12. Provision of Contingent Liabilities**

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

**13. Earnings per Share**

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

**14. Taxes on Income**

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

**Schedule 17**

**NOTES ON ACCOUNTS**

1. Information on Consolidated Financial Statements of Kothari Sugars & Chemicals Limited (KSCL) and its subsidiaries and associate as per AS 21 and AS 23

List of subsidiaries and associate included in the consolidated financial statements

Name of the Company Direct holding	Country of Incorporation	Share in ownership and voting power	Relationship
Kothari International Trading Limited (KITL)	India	99.99%	Subsidiary
Kothari Petrochemicals Limited (KPL)	India	20.42%	Associate

Consolidation is done based on the audited financials of the subsidiary, KITL as on 31-03-2009 & KPL(Associate) as on 31-03-2009.



## 2. Debentures

Zero Coupon Bonds / Debentures are secured by the first charge on movable and immovable properties of the Parent Company situated in the State of Gujarat and Tamilnadu and Fixed Assets situated at Kattur.

## 3. Term Loans

(a) Loan from Sugar Development Fund (Government of India) for modernization / expansion / Cogeneration amounting to Rs.6627.75 lacs (Previous year Rs.5926.20 lacs) is secured by a paripassu charge on the whole of the immovable and movable properties including plant and machinery situated at Kattur.

(b) Loan from Bank of Rs. 4753.54 lacs (previous Rs.4734.50 lacs) consists of the following.

1. Loan from Bank for modernisation/expansion/Cogeneration amounting to Rs. 2038.60 Lacs (Previous year Rs.2037.07 lacs) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery of the Sathamangalam Sugar & Cogeneration unit.
2. Medium Term Loan (Central Excise) of Rs. 2714.94 lacs (Previous year Rs.2697.43 lacs) is secured by extension of first charge on the Fixed Assets of the Company at its Sathamangalam Sugar & Cogeneration unit.

(c) Cash credit from Bank of Rs. NIL lacs (Previous year Rs.706.54 lacs is secured by hypothecation of goods produced, merchandise and stock stored in Pandavpura and Kattur sugar unit not exceeding 26,271 and 32,866 bags of Sugar respectively).

(d) Loan from Holding Company is secured on the hypothecation of movable properties including movable Plant and Machinery and inventories situated at Kattur unit.

(e) Unsecured Loans except Agriculture and Irrigation loan are Interest free.

## 4. Capital Redemption Reserve:

A Sum of Rs.9.17 lacs (Previous Year Rs.58.12 lacs) has been appropriated towards the above reserve on redemption of Preference Shares for Rs.64.26 lacs as per AAIFR order dated 17-06-2004. Balance sum of Rs.76.57 lacs (Previous Year Rs.6.14 Lacs) and previous year balance Rs.6.14 lacs will be appropriated on availability of Profits.

## 5. Employee Benefits:

The company has adopted Accounting Standard AS(Revised 2005) "Employee Benefits". There is however no additional liability on account of such adoption. Liability in respect of Gratuity to eligible employees is covered under an insurance policy and declaration has been provided to the underwriters including its employees along with that of its associate viz. Kothari Petrochemicals Limited as permitted in the variation deed dated 27-11-1987 of Kothari Sugars and Chemicals Limited Gratuity Trust. The contribution made in earlier years and investments as on 31-03-2009 as per actuarial valuation made by Projected Unit Credit Method is cumulatively adequate to cover the liability of both Kothari Sugars and Chemicals Ltd. and its Associate Kothari Petrochemicals Ltd. as on 31.03.2009

The unavailed leave to the credit of employees of Kattur and Sathamangalam is as below :

Disclosure Table – valuation as on 31.03.2009	Rs.000,s
Accrued Liability as at beginning of the period	480
Interest cost	36
Current Service Cost	(118)
Past Service Cost	0
Curtailement Cost	0
Settlement Cost	0
Benefits Paid	0
Actuarial Gain / Loss	266
Accrued Liability as at the end of the period	664

(No fund is being maintained)

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Amounts to be recognized in the balance sheet		Rs. 000's
Present value of obligations as on the accounting date		664
Fair value of the plan assets (zero as no fund is being maintained)		0
Liability to be recognized in the Balance Sheet		(664)
Expenses to be recognized in P/L Account		Rs. 000's
Interest cost		36
Current Service Cost		(118)
Past Service Cost		0
Expected Return on Plan Assets		0
Curtailment cost (credit)		0
Settlement cost (Credit)		0
Net Actuarial (gain)/loss		266
Net Expenses to be recognized in P&L a/c		184
Reconciliation		Rs. 000's
Net Liability as at the beginning of the period		480
Net expenses in P/L a/c		184
Benefits paid		0
Net Liability as at the end of the period		664
Principal Actuarial Assumptions :		
Interest Rate (Liabilities)		7.50%
Return on Assets		N.A.
Mortality Table		LIC(94-96)
Resignation Rate per annum		5.00%
Salary Escalation Rate		10.00%

**6. Contingent Liabilities: -**

**6.1 Parent Company**

- (a) The hike in the basic minimum price of sugarcane for the sugar year 2002-03 after fixation of statutory minimum price notified by the Central Government on 9th January 2003 has been legally challenged by the South Indian Sugar Mills Association (of which the company is a member), and the matter is subjudice. Based on legal advice, pending disposal of the case no provision has been considered for the same in the books. The amount is not quantifiable at this stage.
- (b) Excise duty demands under appeal Rs.275.52 Lacs (Rs.348.92 Lacs).
- (c) Income Tax demands under appeal Rs. 178.64 lacs ( Rs.Nil Lacs)
- (d) Claims against the company not acknowledged as debt amount to Rs. 1.98 Lacs (Rs. 1.98 Lacs)
- (e) Estimated amount of Contracts remaining to be executed on Capital Account & not provided for, amount to Rs. 28.51 Lacs (Rs.295.70 Lacs).
- (f) Urban Land Tax under appeal Rs. 36 lacs. (Rs.34 Lacs).
- (g) Customs Duty under appeal Rs.73.39 lacs. (Rs.73.39 lacs).
- (h) Other Contingent Liabilities:

(Rs. in lakhs)

Contingent Liabilities	31.03.2009	31.03.2008
Guarantees to banks on behalf of other companies	600.00	600.00
Bank Guarantees/ Letter of credit	846.20	800.77
Corporate Guarantees to banks on behalf of farmers	634.00	1917.00

## 6.2 Subsidiary Company

There is a decree against the subsidiary KITL in respect of Company's dues to Oman International Bank S.A.O.G. The Subsidiary has contested the order.

## 7. a. Segment Disclosure

(Rs. in Lakhs)

	Sugar		Distillery		Eliminations		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
<b>1.REVENUE</b>								
External sales	24534.67	22310.46	1432.62	3265.27	-	-	25967.29	25575.73
Inter segmental revenue	157.66	414.21	-	-	(157.66)	(414.21)	-	-
Total revenue	24692.33	22724.67	1432.62	3265.27	(157.66)	(414.21)	25967.29	25575.73
<b>2.RESULTS</b>								
Segment results	84.51	(879.24)	1223.80	1890.28	-	-	1308.31	1011.04
Unallocated (Exp.)/Income	-	-	-	-	(731.28)	(308.16)	(731.28)	(308.16)
Interest expenses	(545.71)	-	-	-	-	(487.72)	(545.71)	(487.72)
Interest and dividend Income	-	-	-	-	82.08	710.90	82.08	710.90
Profit/(loss)	(461.20)	(879.24)	1223.80	1890.28	(647.81)	(84.98)	113.40	926.06
<b>3.OTHER INFORMATION</b>								
Segment Assets	25581.23	25298.68	4614.66	2409.74	-	-	30195.89	27708.66
Unallocated assets	-	-	-	-	-	-	6548.99	11166.48
Total Assets	25581.23	25298.68	4614.66	2409.74	-	-	36744.88	38875.14
Segment Liabilities	13091.85	16005.50	1068.54	316.61	-	-	14160.39	16322.11
Unallocated Liabilities	-	-	-	-	-	-	12628.35	12581.36
Total Liabilities	13091.85	16005.50	1068.54	316.61	-	-	26788.74	28903.47
Capital Expenditure	489.21	15339.57	1456.66	698.58	29.40	-	1975.26	16038.15
Depreciation	1075.86	817.42	195.41	117.26	26.40	-	1297.67	934.68
Noncash expenses	-	-	-	-	-	-	-	-
Other than depreciation	-	937.47	-	9.92	-	-	-	-

(Rs. in lakhs)

## B. Secondary Segment Information

2008-09

2007-08

Particulars	2008-09		2007-08	
	India	Rest of the World	India	Rest of the World
1. Revenue by Geographical Market	25967.29	-	25,575.73	-
2. Carrying amount of Segment Assets	30195.89	-	27,708.66	-
3. Additions to Fixed / Intangible Assets	1975.26	-	16,038.15	-

## (c) Notes Relating to Segment

### i) Business Segments

The company has considered business segments as the primary segments for disclosure. The business segments are: Sugars, Distillery.

Sugar segment comprises of sugar, molasses and cogeneration. Distillery segment comprises of rectified spirit and denatured spirit.

The above segments have been identified taking into account the organisation structure as well as the differing risks and returns of these segments

ii) Geographical Segments

The geographical segment considered for disclosure is India and Rest of the world. All the manufacturing facilities and sales offices are located in India. Sales to the rest of the world are also serviced by Indian sales offices.

Geographical revenues are segmented based on the location of the customer who is invoiced or in relation to which the revenue is otherwise recognised.

iii) Segmental assets includes all operating assets used by respective segment and consists principally of operating cash, debtors, inventories and fixed assets net of allowances and provisions. Segmental liabilities include all operating liabilities and consist primarily of creditors and accrued liabilities.

8. (a) Related Party Disclosures

Name of the Related Party	Relationship
Kothari International Trading Limited	Subsidiary Company
Kothari Bio-tech Limited	Associate Company
Kothari Safe Deposit Limited	Associate Company
Kothari Petrochemicals Limited	Associate Company
Century Foods Pvt. Limited	Associate Company
Parvathi Trading & Finance Co. Pvt. Limited	Holding Company
Mr. B.H.Kothari	Key Management Personnel

(b) Transactions with Related Parties

(Rs. in Lakhs)

Particulars	Holding Co.		Subsidiaries		Associates		Key Personnel	
	08-09	07-08	08-09	07-08	08-09	07-08	08-09	07-08
Rent	-	-	-	-	27.46	26.96	-	-
Interest	-	-	-	-	4.04	-	-	-
Remuneration	-	-	-	-	-	-	53.76	60.21
Loan Given	-	-	-	-	146.59	-	-	-
Loan Taken	-	-	-	-	70.00	-	-	-
Outstanding balances as at 31.3.2009								
Loans and Advances	-	-	55.17	55.22	9.96	13.87	-	-
Secured Loans	1437.09	1554.62	-	-	-	-	-	-
Loans	2410.89	4132.64	-	-	-	-	-	-
Investment	-	-	99.98	99.98	1201.09	1537.00	-	-
Share Capital	5006.35	4787.60	-	-	-	-	-	-

9. Earnings per Share

Particulars	2008-09	2007-08
Net Profit after Tax (Rs.)	103.70	1118.83
No.of Equity Shares of Rs. 10/- each	82888580	82888580
Earning per Share ( Basic & Diluted)	0.13	1.35

10. Provisions for Taxation

Deferred Tax:

To comply with the Accounting Standard 22 (AS 22) Accounting for taxes on income, the company reviewed the deferred tax assets and liabilities. The timing differences relates mainly to depreciation and carry forward losses for the period upto 31.3.2009, resulting in a net deferred tax asset of Rs.153.13 Lacs (Rs.79.71 Lacs). As a prudent measure, this net deferred tax asset has not been recognised in the accounts.

**11. Operating Lease**

The Company had entered into an agreement for Lease of Sugar Factory with an installed capacity of 3500 TCD for a period of seven years (Up to 31-03-2013) with "The Pandavapura Sahakari Sakkare Karhane Niyamit, a Co-operative society registered under the Karnataka Co-operative Societies Act,1959, with its registered office at Pandavapura RS, Pandavapura Taluk, Mandya Dist. In view of unviability, the company has suspended operations in Pandapura plant and is in dialogue with Government of Karnataka for cancellation of lease. Adjustment of financial implications if any will be carried out on completion of formalities for which steps have been initiated.

**12. Finance Lease**

The Company has obtained Vehicle loan from Banks. The minimum EMI payments for future years are as follows:

(Rs.in Lakhs)

Particulars	Minimum EMI Payments	Present Value EMI Payments
Not Later Than One Year	7.68 (P.Y. 6.48)	7.33 (P.Y. 7.68)
Later Than One Year but not later than Five years	6.91 (P.Y. 13.62)	6.29 (P.Y.23.57)

**13. The brief Summary of the results of subsidiary consolidated with Parent.**

Details of Subsidiary Companies	Kothari International Trading Ltd.	
	2008-09	2007-08
Financial Year		
Share Capital	100.00	100.00
Reserves & Surplus		-
Total Liabilities	449.08	449.08
Total Assets	549.08	547.64
Total Income (Including Other Income)	-	0.29
Profit Before Tax	(1.39)	(1.12)
Provision for Tax	-	-
Profit After Tax	(1.39)	(1.12)
Proposed Dividend ( Including Dividend Tax)	-	-
Details of Investment (Other Than Subsidiaries)	-	-
Long Term - At Cost	-	-
Trade:	-	-
Quoted Equity Shares	-	-
Unquoted Equity Shares	-	-
Non-Trade	-	-
Kothari Petrochemicals Ltd	1.55	1.55
Rs.10/- each fully paid(Nos.)	15,500.00	15,500.00
Total Liabilities=Loan Funds + Current Liabilities	-	-

14. Consumption of Materials for the year is inclusive of additional cane price of Rs.100/- per MT amounting to Rs.653.24 lacs pertaining to 2007-08 of Pandavapura unit as announced by Government of Karnataka during the year.
15. The previous year's figures have been regrouped / rearranged wherever necessary to confirm to the classification for the year. Figures for the previous year are not comparable with the current year as commercial operation at Sathamangalam commenced on 01.08.2007.

For and on behalf of the Board

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

**B H Kothari**  
Chairman & Managing Director

**P S Gopalakrishnan**  
Director

**R Rajaram**  
Partner  
M.No.25210

Place : Chennai  
Date : July 24, 2009

**PR Ramanathan**  
Company Secretary



**KOTHARI SUGARS AND CHEMICALS LIMITED**

**PROXY FORM**

Folio No.:

\* Client ID No.:

(\* in case of dematerialized shares)

I / We ..... of ..... in the district of ..... being a member(s) of the above named company, hereby appoint Mr./ Ms. .... of ..... in the district of ..... or failing in / him / her Mr. / Ms. .... of ..... in the district of ..... as my / our proxy to attend and vote for me / us on my / our behalf at the 48<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, the 24<sup>th</sup> September 2009, at 11.00 A.M. at The Music Academy, (Mini Hall), Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 and at any adjournment thereof.

Signed this ..... day of ..... 2009

No. of Shares held .....

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

Affix  
Revenue  
Stamp



**KOTHARI SUGARS AND CHEMICALS LIMITED**

**ATTENDANCE SLIP**

**REQUEST TO MEMBERS**

Folio / Client ID No. :

Name of the  
Attending Member .....

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

I here by record my presence at the 48<sup>th</sup> Annual General Meeting

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

Date : Thursday, 24<sup>th</sup> September, 2009

Time : 11.00 A.M.

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

**Signature of Shareholder/Proxy**

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

## C.M. KOTHARI AIDED MIDDLE SCHOOL KATTUR



(A CSR INITIATIVE)

If undelivered Please return to :

**KOTHARI SUGARS & CHEMICALS LIMITED**

Regd. Office. "Kothari Buildings",

No.115, Mahatma Gandhi Salai,

Nungambakkam, Chennai - 600 034