

CORPORATE INFORMATION

Board of Directors	:	B.H.Kothari - Chairman & Managing Director Dr.P.S.Mani Sundaram P.S.Gopalakrishnan V.R. Deenadayalu N.Chandramouli
Company Secretary	:	R.Prakash
Statutory Auditors	:	R.Subramanian and Company Chartered Accountants, No.6, Krishnaswamy Avenue, Luz, Mylapore, Chennai - 600 004
Internal Auditors	:	K.R.Sarangapani & Co. Chartered Accountants, Chennai - 600 083 V.P. Mukundan & Associates Chartered Accountants, Chennai - 600 004
Cost Auditor	:	K.Suryanarayanan
Legal Advisors	:	S.Ramasubramaniam & Associates Advocates, Chennai - 600 004
Registered Office	:	“Kothari Buildings” No.115, Mahatma Gandhi Salai Nungambakkam Chennai - 600 034 Phone Nos.044 - 30281595, 30225507, Fax No.044-28334560
Registrar & Share Transfer Agents	:	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 Email : investor@cameoindia.com
Listing	:	The National Stock Exchange of India Limited (NSE), Mumbai
Stock Code	:	KOTARISUG - ISIN No.INE419A01022
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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KOTHARI SUGARS AND CHEMICALS LIMITED

NOTICE

Notice is hereby given that the 49th Annual General Meeting of Kothari Sugars & Chemicals Limited will be held on Tuesday, 21 September 2010 at 10.30 A.M. at The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Accounts for the year ended March 31, 2010 together with Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Dr.P.S.Mani Sundaram, 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 Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. 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 : August 11, 2010

R. Prakash
Company Secretary

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Notes

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL. PROXIES SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT ANY TIME NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
2. A Member or Proxy should fill the enclosed attendance slip and deposit the same at the entrance of the meeting hall.
3. Share Transfer books and Register of Members will remain closed from Wednesday, 15 September 2010 to Tuesday, 21 September 2010, (both days inclusive).
4. Members holding shares in dematerialized form are requested to intimate any change in their address etc. to their respective Depositories Participants and those holding shares in physical form should intimate the above changes to the Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited, No.1, Club House Road, Chennai- 600 002.
5. Members are requested to bring copies of their Annual Reports, as no additional copies will be provided.
6. Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail of the benefits of de-materialization which include easy liquidity since trading is permitted only in dematerialized form, electronic transfer, savings in stamp duty, prevention of forgery, etc.

ANNEXURE TO THE NOTICE

THE INFORMATION IN RESPECT OF ITEM NO.2 IN ACCORDANCE WITH CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT FOR CORPORATE GOVERNANCE ABOUT DIRECTORS SEEKING RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER

Particulars	Item No. 2
Name of the Director	Dr. P.S. Mani Sundaram
Date of Birth	09-12-1927.
Date of Appointment	19-11-1996.
Qualification	B.A., B.E., M.Eng., Ph.D., D.Eng.
Experience in specific functional areas	He was former (first) Principal, A.C.College of Engg & Tech, Karaikudi and Regional Engineering College (NIT), Trichy and Former (first) Vice Chancellor, Bharathidasan University. He has extensive Technical experience in the Engineering field including Education.
List of other Companies in which Directorship held	Nil
Chairman/ Member of the Committee of the Board of Director of the Company	1. Audit Committee - Member 2. Share Transfer cum Shareholder Grievances Committee - Member 3. Remuneration Committee - Member
Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2010	Nil

Place : Chennai
Date : 11th August, 2010

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

R. Prakash
Company Secretary

To the Members

The Directors present the 49th Annual Report of the Company together with the audited statement of accounts for the year ended March 31, 2010.

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

Description	2009-2010	2008-2009
Profit/(Loss) before Interest and Depreciation	3,807.06	2385.69
Interest	528.70	545.71
Depreciation	1,356.76	1297.67
Profit / (Loss) Before Exceptional Items	1,921.60	542.31
Exceptional items	-	427.52
Profit/(Loss) Before Tax	1,921.60	114.79
Tax Adjustments	782.81	13.32
Fringe Benefit Tax	-	17.30
Profit / (Loss) after Tax	1,138.79	84.17
Transfer to Debenture Redemption Reserve	75.00	75.00
Transfer to Capital Redemption Reserve	207.71	9.17
Profit / (Loss) after Appropriation	856.08	--

Your Directors are pleased to report that the company has made a profit after tax of Rs.1138.79 Lakhs.

Operations and Performance**Performance**

The Company's gross income was Rs.34,859 Lakhs for the year ended March 31, 2010 as against Rs.27,568 Lakhs for the last year and profit after tax of Rs.1,138.79 Lakhs compared to Rs.84.17 Lakhs, of last year.

a. Sugar

Due to lower sugar production during the last sugar season, the sugar prices in the domestic market was continuously rising and the industry offered high and remunerative cane price to bring back the farmers to growing cane.

The Plant at Kattur had crushed 7,44,232 MTs in 2009-10 with a recovery of 8.90% as against 4,52,491 MTs in 2008-09 with a recovery of 10.27%.

The Plant at Sathamangalam crushed 2,62,748 MTs in 2009-10 with a recovery of 8.34% as against 5,93,134 MTs in 2008-09 with a recovery of 10.46%.

The company has initiated lot of measures to improve the efficiency of these units to achieve better yield.

Cane volumes improved despite drought-like conditions prevailed in some parts of the cane area and Sugar recovery had dropped due to adverse cane quality. The cane price for sugar season 2009-10 was fixed higher after negotiation with cane growers @ Rs.1,740 per MT besides, subsidizing the full transport cost from cane growers' field to the factory. This is higher than the FRP (Fair and Remunerative Price) of Rs.1,298.40 per MT and SAP (State Advised Price) of Rs.1,537.40 per MT.

b. Co-generation

Your Company had operated Co-generation plant at Sathamangalam for a longer period in 2009-10 by using coal and generated more power and exported 71,761 MWH of power to the grid through a third party, M/s Power Trading Corporation (PTC).

Total power exported at Kattur was 18,697 MWH during 2009-10 as against 11,455 MWH of power exported during 2008-09. At Sathamangalam, the power exported was 1,05,755 MWH during 2009-10 as against 51,439 MWH of power exported during 2008-09.

c. Distillery

Alcohol production during the year 2009-10 was 10,618 KL as against 15,695 KL in 2008-09. The Molasses price being very high, the production of Rectified Spirit using the old equipment was not viable. The Distillery operations commenced only in Feb 2010 instead of Dec 2009 and the plant was operated at minimum capacity (50%) till Mar 2010, so that the costlier molasses was retained for consumption in the new distillation plant for better conversion efficiency and profitability.

Our Company has modernised the Distillery plant. A distillation plant of 60 KLPD capacity with MPR Technology has replaced the old atmospheric distillation plant. With this technology, the Company will produce superior quality of Alcohol with lesser energy consumption and losses. The Company will have the flexibility of producing either Rectified Spirit (RS) or Extra Neutral Alcohol (ENA) in any ratio depending on the market situation.

Awards

Your Company has been awarded the prestigious '**National Energy Conservation Award**' for the year 2009 in the Sugar sector from the Ministry of Power. It is noteworthy that your company is the only sugar company in the country which has been selected for this coveted award.

The company has also received the best co-generation award during 2009 from South Indian Sugar Cane and Sugar Technologists Associations for the year 2007 - 2008.

Dividend

The Directors do not recommend dividend for this year.

Directors

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

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 judgements 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 any time during the year.

Re-appointment of Auditors

M/s.R.Subramanian and Company, Chartered Accountants, Chennai, retire at the forthcoming Annual General Meeting and are eligible for re-appointment. As required under section 224 of the Companies Act, 1956, the company has obtained from them a confirmation to the effect that their re-appointment, if made, would be in conformity with the limits prescribed in the said section.

Cost Auditor

Pursuant to section 233B of the Companies Act, 1956, Mr.K.Suryanarayanan, a Practising Cost Accountant, was appointed as Cost Auditor with the approval of Central Government to conduct Cost Audit of the accounts in respect of the product 'Sugar' for the financial year 2009-2010.

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 approval letter No.47/509/2010-CL-III dated 09 June 2010, issued by the Ministry of Corporate Affairs, New Delhi, attaching the Balance Sheet of the subsidiary company Kothari International Trading Limited is exempted.

The Annual Accounts of Kothari International Trading Limited, subsidiary of your company is kept at registered office for inspection of members during working hours and the same is available in Kothari Sugars & Chemicals Limited, website.

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 & Chemicals Limited**

Place : Chennai
Date: August 11, 2010

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	
		Sugar & Co-gen		Distillery		Sugar & Cogen	
		2008-09	2009-10	2008-09	2009-10	2008-09	2009-10
1. Electricity							
a. Purchased Unit		1006000	618600	1018769	2913418	828099	575700
Total Amount Paid (Rs.)		7424437	6496570	5169609	3240995	5720189	3792251
Rate per unit (Rs.)		3.50 per unit & 300 Per KVA of MD Charges	3.50 per unit & 300 Per KVA of MD Charges	3.50 per unit & 300 Per KVA of MD Charges	3.50 per unit & 300 Per KVA of MD Charges	6.91	6.59
b. Own Generation through Diesel				NA	NA		
Generated Unit in KWH		114030	33600			15616	5423
Unit per Litre of Diesel		2.8	2.47			2.87	2.99
Cost per Unit (Rs.)		13	14.25			11.517	11.718
c. Power generated through Steam turbine Unit in KWH		30536126	48305500	1171819	583016	73679000	126176000
Unit per ton of fuel		255.3	266	NA	NA	392.95	394.74
Cost per unit (Rs.)		3.15	3.15	3.15		3.15	3.15
2. Coal (specify quantity and where used)		NA	NA	NA	NA	NA	
Quantity (tonnes)							72500.99
Total cost (Rs.)							267247268
Average Rate (Rs.)							3686.12
3. Fuel Oil		NA	NA			NA	NA
Quantity (tonnes/kiloliters)				955.15	107.02		
Total Cost (Rs.)				30535180	2846317		
Average Rate/ litre (Rs.)				31.97	26.6		
4. Natural Gas		NA	NA	NA	NA	NA	NA
Quantity M3							
Total Cost (in Rs.)							
Average Rate per M3 (Rs.)							
5. Consumption per unit of production							
Total in-house consumption (unit)		17693356	27782320	4166683	3496434	22952985	8213631
Products (Sugars) in Quintal		440450	659850	13397474 Lts	10617414 Lts	566720	228170
Electricity (Unit per quintal)		40.17	42.10	0.311 unit/Lit	0.329unit/Lit	40.50	35.99

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

(Rupees in Lakhs)

		2009 - 2010	2008 - 2009
(a)	Foreign Exchange earned	60.05	1,796.07
(b)	Foreign Exchange outflow	33.11	20.64

MANAGEMENT DISCUSSION AND ANALYSIS:

“2009-10” Industry structure and development:

The domestic sugar stock position remained tight for the second year running. However, the demand supply mismatch showed a reduction, following an increase in sugar production by around 18 to 18.50 million tonnes in Sugar year 2009-10 from 14.50 million tonnes in Sugar year 2008-09 (as against initial estimates made in October 2009 of around 15-16 million tonnes for the sugar year 2009-10), although it is still well short of the domestic off-take of around 23 million tonnes. India remains dependent on imports. While India had imported around 2.50 million tonnes in sugar year 2008-09, the imports for sugar year 2009-10 are expected to go around 4.0 to 5.50 million tonnes.

Food inflation is at an all-time high. Increase in the retail sugar prices by more than 100% saw the government intervening through indirect measures. The Government allowed Import of white sugar @ 0% duty to align the local prices to international sugar prices. The Government of India had increased the levy sugar quota from 10% to 20% of the sugar production from Sugar season 2009-10 and further, the release of Non-levy sugar was changed from fortnightly to weekly basis. Industrial users were pressurised to lower inventory, and heavy checks were put on hoarders. By the end of crushing season, UP Government lifted the ban on imported raw sugar. Most of the inventory had been accumulating at the ports, and post lifting of the ban, markets expected a supply glut situation in the short term. All these factors have led to correction in sugar prices. There has been sharp correction in sugar prices since the peaks seen in January-February 2010. Free sugar prices, which had reached a peak of around Rs.38 to 40/kg have corrected significantly and are currently hovering at Rs.25/kg levels. The prices have corrected by around 45%. This squeezed the company from both ends – high input prices and low realisation for sugar.

This reduction in price is largely being driven by a steep fall in international sugar prices (to which the domestic sugar prices are linked) to less than USD 500 per tonne from over USD 700 per tonne. The fall in international sugar prices followed imbalances in the international supply-demand scenario following lesser demand from India and expectations of higher production in Brazil.

Opportunities and Threats:

1. Government support measures, such as upward revision in levy sugar prices and re-imposition of import duties on sugar.
2. Based on feedback from industry regarding sowing and cane availability position, the expected production in sugar season 2010-11 to be around 24-25 million tonnes, thus exerting further pressure on sugar prices.
3. Dependence on State Government policies regarding cane price, and Molasses and the Central government policies on duties and taxes.
4. Agro-Climatic conditions which may lead to heavy rise or fall in sugar production.
5. Sugar cane prices are fixed by the Government of India. The Central Government decides the minimum support price with the Fixed Remunerative price (FRP).
6. Local input prices namely, sugar cane prices have substantially increased by almost 70% in one year.

Outlook Summary :

The company's margin will be under pressure in sugar season 2010-11 because of the higher cane price announced by the State Government. Any improvement in prices and profitability will be contingent on government support measures, such as an upward revision in levy sugar prices and re-imposition of

import duties on sugar. However, given the political sensitivities, it is uncertain whether such a move will be made. The estimates for sugar year 2010-11 is around 25 million tonnes which will be marginally higher than the domestic off-take of around 23.50 million tonnes, thus exerting further pressure on sugar prices.

The long term prices and profitability of Indian sugar companies would remain volatile and are dependant on domestic and international supply-demand trends. This in turn would depend on agro-climatic conditions in major sugar producing countries and crude oil price trends, which determine the diversion of cane crop to Ethanol. Consequently, the price trends in international markets would be the key determinant of future profitability. Further, government action in ensuring a rational linkage between cane prices and sugar prices will also be a key to long term viability of sugar operations, especially in States which declare SAP.

Company's outlook:

Higher input cost, two-fold increase in levy quota of sugar from 10% to 20% and falling prices will affect the operating margins of sugar segment adversely in the next financial year. In the face of an increased power shortage, co-generation provides an opportunity for sustainable long term revenues and we will be operating our Co-generation unit at Sathamangalam for a longer period in 2010 - 2011 using Coal and by generating more units we can export more to grid through third party to supply around 13,500 Kwh power per month.

To enhance the Extra Neutral Alcohol (ENA) capacity from 10 KLPD to 57 KLPD, the company has taken up modernization of Distillery by converting the 60 KLPD atmospheric distillation plant to Multi pressure distillation production of ENA and this compliment of downstream products will help the Company to face the downward pressures if any, on account of commodity cycles.

RISKS AND CONCERNS**Raw Material risk:**

Fluctuation of Cane price will drastically affect our margin on power export. There is significant fall in cane area resulting from large number of farmers switching over to crops such as Paddy, Wheat, Cotton, Corn etc. Reduced cane yield due to lack of fertilisers & inadequate monsoon rains during the critical cane growth period leads to a lower recovery.

Risk Mitigation:

As indicated above, we have already started our initiative towards stopping the farmers from switching over to other crops. To improve the 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 also controlled by the Government.

Risk Mitigation:

From the last quarter of financial year 2009-10, the prices of sugar and its by-products have all reduced. The by-products like Rectified Spirit/Extra Neutral Alcohol and realisation from Power segment helps to mitigate the risks to a certain extent.

Competitive risk:

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

Risk Mitigation:

We may have to face tough competition in the market. The company maintains a very good relationship and is also 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.

Co-generation:

The company's Co-generation unit at Sathamangalam will be operating for a longer period in 2010-11 using coal and will generate more power and export more to the grid.

In the case of increased power shortage, Co-generation provides an opportunity for sustainable long term revenues with the potential of availing power production by using coal.

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

The success of an organisation depends predominantly upon its trained and talented resources. Keeping this in mind the organisation has initiated various development programmes this year. During the year the organisation has implemented initiatives such as 5S, SGA (Small Group Activities), Employees Reward and Recognition programme, Employee suggestion Scheme and other developmental initiatives. During the year employees attended series of training programmes as part of the developmental initiatives of the organisation. In order to involve the employees in the developmental process we have conducted brainstorming sessions across the units for improving the process and overall development of the organisation. The inputs from the employees are carefully examined by a team of Senior Officials and efforts are on to bring in improvements wherever necessary. The organisation looks at the performance of the employees as a key driver of growth and internal talents have been recognised by way of promotions with higher/additional responsibilities.

During the year the Industrial Relations have been cordial, conducive and mutually productive. The Total number of employees as on 31st of March 2010 is at 427 in respect of sugar operations.

On Behalf of the Board
for **Kothari Sugars & Chemicals Limited**

Place: Chennai
Date: August 11, 2010

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, which 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 Mr.B.H.Kothari and Mr.N.Chandramouli all others are Independent Directors.

Non-executive Directors (NED) 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 2010 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 2009-10 are furnished in the following table.

Company's Board of Directors details as on March 31, 2010

Name of the Director	Category	No. of Board Meetings Attended	Attendance at previous AGM held on September 24, 2009	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	02
Dr.P.S.Mani Sundaram	INED	04	Present	Nil	Nil	Nil
Mr.P.S.Gopalakrishnan	INED	05	Present	03	Nil	01
Mr.N.Chandramouli	NED	05	Present	02	Nil	02
Mr.P.N.Devarajan (*)	INED	01	NA	01	Nil	Nil
Mr.V.R.Deenadayalu(**)	INED	04	Present	02	Nil	Nil

(INED - Independent Non Executive Directors & NED - Non- Executive Directors)

(*) 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

Board Meetings held during the financial year 2009-2010

Board Meetings				
April 27, 2009	July 24, 2009	September 24, 2009	October 29, 2009	January 21, 2010

3. Committees of the Board

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

a. Audit Committee

During the year under review, the Committee met 4 times and the attendance details of Committee Members as follows:

Sl. No.	Name of the Member	Category	Meeting participated
01.	Mr.P.S.Gopalakrishnan	Chairman	04
02.	Mr.B.H.Kothari	Member	04
03.	Dr.P.S.Mani Sundaram	Member	03
04.	Mr.P.N.Devarajan (*)	Member	01
05.	Mr.V.R.Deenadayalu(**)	Member	03

(*) 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

b. Audit Committee Meetings held during the financial year 2009-2010

Audit Committee Meetings			
April 27, 2009	July 24, 2009	October 29, 2009	January 21, 2010

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. Head 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. Investors' Grievance and Share Transfer Committee

The Share Transfer cum Shareholder's / 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. Mr.R.Prakash, Company Secretary, is the Compliance Officer.

During the period under review, the committee met 8 times and the attendance details of Committee Members is as follows:

Names of Directors	Category	Meetings Attended
Mr.P.S.Gopalakrishnan	Chairman	8
Mr.B.H.Kothari	Member	6
Dr.P.S.Mani Sundaram	Member	7

e. Details of the Complaints received from the Shareholder(s) / Department(s) during the financial year 2009 - 2010.

Sl. No.	Subject of Complaints	Total Complaints received	Complaints redressed	Redressal under process at the year end
1.	Non receipt of Dividend	Nil	Nil	Nil
2.	Non receipt of new Share Certificate	1	1	Nil
3.	Non receipt of Annual Reports	5	5	Nil
4.	Non receipt of Final Redemption Warrants	7	7	Nil
5.	Non receipt of Fractional Warrants	6	6	Nil
6.	Transfer of Shares	Nil	Nil	Nil
7.	De-materialisation matters	Nil	Nil	Nil
8.	Others	1	1	Nil
Total		20	20	Nil
1.	Securities & Exchange Board of India (SEBI)	1	1	Nil
2.	Ministry of Corporate Affairs (MCA)	Nil	Nil	Nil
3.	National Stock Exchange (NSE)	Nil	Nil	Nil
4.	Registrar of Companies (ROC)	1	1	Nil
5.	Consumer Forum	Nil	Nil	Nil
Total		02	02	Nil

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 for every financial year.

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 are the members.

The Committee did not meet during the year.

The details of remuneration paid to CMD with effect from 1st April 2009 to 31st March 2010 is as follows:

(Amount in Rs.)

Name	Fixed Component			Variable Component
	Salary and Allowance	Retirement Benefits	Other Benefits	Commission
Mr. BH Kothari	48,00,000	5,76,000	-	47,64,000

The Company has not paid any remuneration to its non-executive directors during the financial year 2009-10 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.)

Sl. No.	Name of the Directors	Sitting Fees Paid
1.	Mr. P. S. Gopalakrishnan	45,000
2.	Dr. P. S. Mani Sundaram	35,000
3.	Mr. N. Chandramouli	25,000
4.	Mr. V. R. Deenadayalu	35,000
5.	Mr. P. N. Devarajan	10,000

5. Annual General Meeting

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

Year	Venue	Date	Day	Time
2008-09	The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014.	24.09.2009	Thursday	11.00 A.M.
2007-08		19.09.2008	Friday	10.00 A.M.
2006-07		27.09.2007	Thursday	11.30 A.M.

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

Date of AGM	Whether any Special Resolution was passed	Particulars
24.09.2009	No	Nil
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	Nil

7. Postal Ballot

During the financial year 2009-2010 no Special Resolution was passed through Postal Ballot.

8. Disclosures

During the financial year 2009-2010, 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 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 Finance-In-Charge 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

All Quarterly 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. The Half-Yearly financial results are not sent individually to the shareholders.

11. General Shareholder Information

Annual general meeting

Date and Time	September 21, 2010, Tuesday at 10.30 A.M.
Venue	The Music Academy, Mini Hall, Old No 306, New No 168, T.T.K Road, Chennai - 600 014

12. Financial Calendar of the Company

The financial year covers the period from 1st April to 31st March.

Financial Reporting for 2010-2011 (Tentative)

Results for Quarter ending 30 th June, 2010	First fortnight of August 2010
Results for Quarter ending 30 th September, 2010	First fortnight of November, 2010
Results for Quarter ending 31 st December, 2010	First fortnight of February, 2011
Results for Quarter ending 31 st March, 2011	First fortnight of May, 2011

13. Date of Book Closure

The period of book closure is fixed from Wednesday, 15 September 2010 to Tuesday, 21 September 2010 (both days inclusive)

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

Not applicable.

15. Listing Particulars

The shares of the Company are listed at The National Stock Exchange of India Limited (NSE), Mumbai and the listing fees for the financial year 2010 - 11 has been paid. (Stock Code: KOTARISUG).

The Equity Shares of Company was delisted from The Calcutta Stock Exchange Association Limited, Kolkatta w.e.f . 10.02.2010

16. Market Price Data: High, Low in each month of the Financial Year 2009-2010 on The National Stock Exchange of India Limited.

(Rs. Ps.)

Month	High	Low	Month	High	Low
April 2009	7.85	5.15	October 2009	12.95	10.85
May 2009	9.70	6.75	November 2009	12.40	10.00
June 2009	11.60	8.15	December 2009	11.25	9.75
July 2009	9.50	7.30	January 2010	13.65	9.85
August 2009	15.45	8.85	February 2010	11.15	8.50
September 2009	13.75	10.90	March 2010	9.95	7.50

17. Registrar and Share Transfer Agents

The Registrar and Share Transfer Agents of the Company is M/s. Cameo Corporate Services Ltd, Subramanian Buildings, No.1, Club House Road, Chennai - 600 002

18. Distribution of Shareholding

No. of Equity Shares held	No. of Shareholders	No. of Shares
Upto 5000	25,164	33,77,826
5001-10000	3,300	29,17,536
10001-20000	1,673	27,18,522
20001-30000	582	15,27,957
30001-40000	281	10,27,708
40001-50000	317	15,33,313
50001-100000	386	29,21,830
100001 and above	301	6,68,63,888
Total	32,004	8,28,88,580

19. Shareholding Pattern

Sl. No.	Category	No. of Holders	No. of Shares	% of Shares
1.	Resident Indians	31,180	2,09,37,448	25.26
2.	Domestic Companies	663	92,89,851	11.21
3.	NRIs	134	4,65,120	0.56
4.	Promoters	7	4,61,50,909	55.68
5.	Directors & Relatives	2	474	0.00
6.	Mutual Funds	7	325	0.00
7.	Financial Institutions	11	60,44,453	7.29
	Total	32,004	8,28,88,580	100.00

20. De-materialization of Shares

As on March 31, 2010, 8,27,78,761 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 - Keezhapalur, 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. 044-30281595, 30225507
Fax Nos. : 044-28334560
email : secdept@hckgroup.com

Company Share Transfer Agent

M/s. Cameo Corporate Services Limited
Unit: Kothari Sugars and Chemicals Limited
Subramanian Building, 5th Floor,
No.1, Club House Road, Chennai - 600 002
Tel. 044 - 28460390 (5 Lines)
Fax No. : 044-28460129
email : investor@cameoindia.com

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

Place : Chennai
Date : August 11, 2010

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, 2010.

for **Kothari Sugars and Chemicals Limited**

Place : Chennai
Date : August 11, 2010

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, President 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
- i. significant changes in internal control over financial reporting during the year
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : Chennai
Date : August 11, 2010

B.H.Kothari
Chairman and Managing Director

N.S. Rangachari
President
Finance-in-Charge

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, 2010 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, 2010.

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
Firm No. 004137S

Place: Chennai
Date : August 11, 2010

R.Rajaram
Partner
M.No.25210

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

1. We have audited the attached Balance Sheet of Kothari Sugars and Chemicals Limited as at March 31, 2010 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, 2010 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 it relates to the Balance Sheet, the state of affairs of the company as at March 31, 2010,
 - ii) in so far it relates to the Profit and Loss account, of the profit for the year ended on that date, and
 - iii) in so far 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
Firm No. 004137S

Place: Chennai
Date : August 11, 2010

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 not granted any loan secured or unsecured to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
6. The Company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
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, there are no transactions made in pursuance of contracts or arrangements requiring entry in the registers maintained under Section 301 of the Companies Act, 1956.
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.1224.27 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, and Excise Duty, which have not been deposited on account of disputes and there are no such dues in respect of Income Tax, Wealth Tax and Service Tax.

(Rs. in Lakhs)

Sl.No.	Nature of dues	Forum Where Disputed	Amount Unpaid
1.	Central Excise	Joint / Asst. Commissioner of Central Excise	105.93
2.	Central Excise	CESTAT	83.96
3.	Central Excise	High Court	4.11
4.	Customs	Commissioner Appeals	73.39

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. These 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 not given any guarantee during the year for loans taken by others from banks and financial institutions during the financial 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 of the 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.

for **R Subramanian and Company**
Chartered Accountants
Firm No. 004137S

Place: Chennai
Date : August 11, 2010

R Rajaram
Partner
M.No.25210

		(Rs. in Lakhs)	
		As at	
		31-Mar-10	31-Mar-09
SOURCES OF FUNDS			
Shareholders' Funds			
a.	Capital	1	9,413.86
b.	Reserves & Surplus	2	1,581.08
			442.29
		<u>10,994.94</u>	<u>9,956.15</u>
Loan Funds			
a.	Secured Loans	3	16,073.11
b.	Unsecured Loans	4	1,197.43
			2,024.46
		<u>17,270.54</u>	<u>18,410.75</u>
Deferred Tax Liability			467.18
			-
	Total		<u>28,732.66</u>
APPLICATION OF FUNDS			
Fixed Assets		5	
a.	Gross Block		31,166.78
b.	Depreciation Reserve		11,650.04
	Net Block		<u>19,516.74</u>
	Capital Work in Progress including advances		639.57
			<u>20,762.87</u>
			<u>20,833.64</u>
Investments		6	3,823.03
Current Assets, Loans and Advances		7	
a.	Inventories		5,131.56
b.	Sundry Debtors		1,987.74
c.	Cash and Bank Balances		2,368.81
d.	Loans and Advances		1,510.91
			2,930.84
			<u>10,999.02</u>
			<u>14,650.95</u>
Less : Current Liabilities and Provisions		8	
a.	Current Liabilities		6,365.03
b.	Provisions		487.22
			<u>6,852.25</u>
			<u>8,377.99</u>
	Net Current Assets		<u>4,146.77</u>
			<u>6,272.96</u>
	Total		<u>28,732.66</u>
			<u>28,366.90</u>
Significant Accounting Policies		16	
Notes on Accounts		17	

The Schedules referred above and in Schedules 16 and 17 form an integral part of this Balance Sheet and should be read in conjunction therewith

For and on behalf of the Board

This the Balance Sheet referred to in our report of even date
For **R Subramanian and Company**
Chartered Accountants
Firm No. 004137S

B H Kothari
Chairman and Managing Director

P S Gopalakrishnan
Director

Place : Chennai
Date : August 11, 2010

R Prakash
Company Secretary

R Rajaram
Partner
M.No. 25210

		(Rs. in Lakhs)	
		As at	
Schedule		31-Mar-10	31-Mar-09
INCOME			
Sales (Gross)	9	35054.75	27255.47
Less : Excise duty		<u>916.02</u>	<u>1324.28</u>
Sales (Net)		34138.73	25931.19
Other Income	10	<u>720.08</u>	<u>1637.04</u>
Total		<u>34858.81</u>	<u>27568.23</u>
EXPENDITURE			
Materials Consumed	11	24054.45	20429.88
Manufacturing and Other Expenses	12	5435.17	6210.14
(Increase)/Decrease in Stock of Finished Goods & WIP	13	<u>1,562.13</u>	<u>(1457.48)</u>
Total		31051.75	25182.54
Profit before Interest and Depreciation		3807.06	2385.69
Interest	14	528.70	545.71
Depreciation		<u>1,356.76</u>	<u>1297.67</u>
Profit/(Loss) for the year before exceptional item		1921.60	542.31
Less : Exceptional items	15	-	427.52
Profit/(Loss) for the year before Tax		1921.60	114.79
Less : Income Tax current year		327.00	13.32
Less : Deferred tax expense		467.18	-
Less : Fringe Benefit Tax		-	17.30
Add : Write back		11.37	-
Profit/(Loss) for the year after Tax		1138.79	84.17
Less : Transfer to Debenture Redemption Reserve		75.00	75.00
Less : Transfer to Capital Redemption Reserve		<u>207.71</u>	<u>9.17</u>
		856.08	0.00
Add : Balance brought forward		-	-
Balance carried to the Balance Sheet		856.08	0.00
Earnings per share - Basic & Diluted (Rs.):			
- Face value of Rs.10			
- Before Exceptional item		1.37	0.62
- After Exceptional item		1.37	0.10
Significant Accounting Policies	16		
Notes on Accounts	17		

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The Schedules referred above and notes in Schedule 17 form an integral part of this Profit and Loss Account and should be read in conjunction therewith

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

Firm No. 004137S

B H Kothari
Chairman and Managing Director

P S Gopalakrishnan
Director

Place : Chennai
Date : August 11, 2010

R Prakash
Company Secretary

R Rajaram
Partner
M.No. 25210

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		(Rs. in Lakhs) As at	
		31-Mar-10	31-Mar-09
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit / (Loss) after Extra-ordinary items	1921.60	114.79
	Adjustments for :		
	Depreciation	1,356.76	1,297.67
	Interest Received	(205.61)	(364.87)
	Dividend Income	(78.63)	(82.09)
	Interest paid	528.70	545.71
	MF Income	(223.51)	(11.22)
		<u>1,377.72</u>	<u>1,385.20</u>
	Operating Profit before Working Capital changes	3,299.32	1,499.99
	Trade Debtors and Other Receivables	(1,443.56)	(474.01)
	Loans and Advances	1,705.21	(29.15)
	Inventories	1,493.69	(1,267.24)
	Trade Payables	(1,841.37)	(2,522.61)
		<u>(86.03)</u>	<u>(3,344.99)</u>
	Cash Generation from Operations	3,213.28	(1,845.00)
	Less: Direct Taxes paid	285.27	54.01
	Net Cash Generation from Operating Activities - A	<u>2,928.01</u>	<u>(1,899.01)</u>
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	(679.42)	(1,968.28)
	Capital Work in Progress	(606.56)	53.90
	Redemption of Investments	(2,562.73)	3,674.69
	Interest Received	205.61	364.87
	Dividend Income & MF Income	78.63	82.09
	(Purchase) / Sale of Investments (Net)	223.51	11.22
	Net Cash from investing activities - B	<u>(3,340.97)</u>	<u>2,218.49</u>
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Redemption of preference share capital	(100.00)	(100.03)
	Secured Loans	(313.18)	(408.43)
	Unsecured Loans	(827.03)	189.75
	Interest Paid	(528.70)	(545.71)
	Net Cash used in Financing activities - C	<u>(1,768.91)</u>	<u>(864.42)</u>
	Net Increase/(Decrease) in Cash & Cash equivalents - A+B+C	(2,181.87)	(544.94)
	Cash & Cash equivalents at the beginning of the year	4,550.68	5,095.62
	Cash & Cash equivalents at the close of the year	<u>2,368.81</u>	<u>4,550.68</u>
		<u>2,181.87</u>	<u>544.94</u>

For and on behalf of the Board

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

For **R Subramanian and Company**

Chartered Accountants

Firm No. 004137S

B H Kothari

Chairman & Managing Director

P S Gopalakrishnan

Director

Place : Chennai

Date : August 11, 2010

R Prakash

Company Secretary

R Rajaram

Partner

M.No. 25210

		(Rs. in Lakhs)	
		31-Mar-10	31-Mar-09
Schedule 1			
AUTHORISED SHARE CAPITAL			
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
Total		14,400.00	14,400.00
ISSUED, SUBSCRIBED & PAID-UP CAPITAL			
Redeemable Preference Share Capital			
1,200,000	Zero Percent Redeemable Preference shares of Rs.100 each fully paid	1,200.00	1,200.00
		225.00	150.00
		975.00	1,050.00
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
		50.00	25.00
		150.00	175.00
Total (a+b)		1,125.00	1,225.00
<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			
Equity Share Capital			
82,888,580	Equity shares of Rs.10 each fully paid {Of the above holding company holds 4,58,90,000 shares (previous year 4,58,90,000)}	8,288.86	8,288.86
Total		9413.86	9513.86
Schedule 2			
RESERVES & SURPLUS			
Profit and Loss Account (Surplus)			
As per last balance Sheet			
		-	-
Transfer from Profit and Loss Account			
		856.08	-
		856.08	-
Capital Redemption Reserve (Refer Schedule 17 (3))			
As per last Balance Sheet			
		67.29	58.12
Add : Additions during the year			
		207.71	9.17
		275.00	67.29
Debenture Redemption Reserve			
As per last Balance Sheet			
		375.00	300.00
Add : Additons during the year			
		75.00	75.00
		450.00	375.00
Total		1,581.08	442.29

**Schedule 3
SECURED LOANS**

(Rs. in Lakhs)
31-Mar-10 31-Mar-09

Debentures

2,031,018 Zero Coupon Bonds of Rs.100/- each redeemable at par in equal quarterly instalments from 4th (2007-2008) to 10th year (2013-2014)

Less : Amount paid towards redemption in quarterly instalments as per AAIFR order dated 17.06.2004 of the above Rs.710.32 Lakhs (Previous year Rs.877.45 Lakhs) is due to the Holding Company

797.90 507.76
1,233.12 1,523.26

2,031,017 Zero Coupon Bonds of Rs.100/- each redeemable at par at the end of 25th year (2029 - 2030)
Of the above Rs.1533.44 Lakhs is due to the Holding Company [Refer Schedule 17 (1)]

2,031.02 2,031.02
3,264.14 3,554.28

Term Loans

Banks [Refer Schedule 17(2)(b)] 4,970.50 4,753.54

Sugar Development Fund - Govt. of India [Refer schedule 17 (2) (a)] 6,512.02 6,627.75

Total 11,482.52 11,381.29

Other Loans

Holding Company [Refer Schedule 17 (2) (c)] 1,319.78 1,437.09

Hire Purchase Loans (Secured against Vehicles) 6.68 13.62

Total 1,326.45 1,450.71
16,073.11 16,386.29

**Schedule 4
UNSECURED LOANS**

Inter Corporate Loan {Refer Schedule 17 (2) (d)} 1,001.49 1,090.51

Agriculture Loan & Irrigation Loan {Refer Schedule 17 (2) (d)} 195.94 933.95

Total 1,197.43 2,024.46

**Schedule 5
FIXED ASSETS**

(Rs. in Lakhs)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions / Adjustment	Deductions	As at 31.03.2010	As at 01.04.2009	For the year	Deductions	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land	361.67	0.67	-	362.34	-	-	-	-	362.34	361.67
Buildings	3,042.78	383.42	-	3,426.20	575.75	95.38	-	671.13	2,755.08	2,467.03
Plant & Machinery	26,705.64	302.03	-	27,007.67	9,573.21	1,238.03	-	10,811.24	16,196.44	17,132.43
Vehicles	125.70	-	22.61	103.09	57.79	14.79	9.28	63.30	39.80	67.91
Furniture & Fittings	187.14	6.63	-	193.77	82.38	8.56	-	90.94	102.82	104.76
Leased Vehicles	73.70	-	-	73.70	13.44	-	-	13.44	60.26	60.26
Sub Total	30,496.64	692.75	22.61	31,166.78	10,302.57	1,356.76	9.28	11,650.04	19,516.74	20,194.06
Capital WIP including advances*	639.57	1,121.95	515.38	1,246.13	-	-	-	-	1,246.13	639.56
Total	31,136.21	1,814.70	537.99	32,412.91	10,302.57	1,356.76	9.28	11,650.04	20,762.87	20,833.62
Previous Year	29,225.88	2,628.75	718.44	31,136.21	9,008.96	1,297.67	4.06	10,302.57	20,833.62	20,216.92

* Refer Schedule 16 (2)

As at		(Rs. in Lakhs)	
31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
Schedule 6		As at	
INVESTMENTS		Cost	
A LONG TERM INVESTMENTS			
Government Securities - Unquoted			
Indira Vikas Patra (Under lien to Government Departments)		<u>0.06</u>	<u>0.06</u>
Total		<u>0.06</u>	<u>0.06</u>
Subsidiary Companies			
Equity Shares - Unquoted			
999,950 Kothari International Trading Ltd - Rs.10 Each		<u>99.98</u>	<u>99.98</u>
Total		<u>99.98</u>	<u>99.98</u>
Nos.	Equity Shares - Quoted - Long term		
12,019,000	12,019,000	1,201.90	1,201.90
5,000	5,000	2.50	2.50
300	200	3.49	2.54
3,700	3,000	4.76	4.11
2,650	500	11.62	4.97
700	700	3.82	3.82
475	475	4.36	4.36
1,894	1,894	5.75	5.75
13,000	5,200	13.03	10.95
2,800	1,800	5.41	3.82
1,000	1,000	2.11	2.11
5800	5,800	4.23	4.23
1000	1,000	1.26	1.26
1650	900	5.40	3.63
300	300	3.01	3.01
3300	2,700	8.12	7.00
2500	2,500	3.61	3.61
1500	1,350	4.59	4.24
3,600	1,850	12.65	7.29
2927	1,000	15.20	6.45
250	1,026	7.26	25.84
3500	1,500	4.18	2.28
3800	750	8.99	2.90
-	700	-	2.41
-	550	-	12.07
-	600	-	2.30
-	824	-	27.11
-	300	-	2.55
-	1,800	-	0.00
-	2,000	-	3.70
-	700	-	5.02

				(Rs. in Lakhs)	
		As at		As at	
31-Mar-10	31-Mar-09	Equity Shares - Quoted- Long term		31-Mar-10	31-Mar-09
Nos.				Cost	
-	500	Tata Consultancy Services Ltd (Rs 1 Each)		-	4.93
-	750	Tata Motors Ltd -(Rs 10 Each)		-	5.26
				1,337.26	1,383.93
Equity shares - Unquoted - Long Term					
50,000	50,000	Bio- Tech Consortium Ltd - Rs.10 each		5.00	5.00
20	20	Kothari Bio- Tech Ltd - Rs.10 each		0.00	0.00
2,086	2,086	Kothari Sugars & Chemicals Ltd - Employees Cooperative Society Ltd of Rs.10 each		0.20	0.20
				5.20	5.20
Mutual Fund Investment - Long Term					
Units					
193,798	193,798	AIG Equity Fund - Dividend		25.00	25.00
97,800	97,800	AIG Infrastructure & Economic Reform Fund-D		10.00	10.00
243,902	243,902	Birla International Equity Plan-b-div		25.00	25.00
254,148	254,148	Birla Special Situations Fund-D		25.99	25.99
97,561	97,561	Fortis China - India Fund		10.00	10.00
327,255	214,980	Fortis Oppurtunities Fund-d		65.00	50.00
99,750	99,750	Fortis Sustainable Development Fund-growth		13.74	13.74
243,887	243,887	Franklin High Growth Co.fund-growth		31.36	31.36
105,170	53,650	HDFC Core & Satelliate Fund-d		25.14	15.14
114,133	114,133	Hsbc Equity Fund-d		50.00	50.00
195,599	195,599	Icici Indo Asia Equity Fund-dividend		20.00	20.00
47,041	47,041	Jm Basic Fund-dividend		13.65	13.65
161,751	161,751	Lic Mf Index Nifty Fund-d		25.00	25.00
77,440	40,917	Principal Balanced Fund - Div		15.00	10.00
136,986	136,986	Principal Large Cap Fund-dividend		36.05	36.05
124,750	124,750	Principal Resurgent Equity Fund-d		25.00	25.00
243,887	243,887	Reliance Equity Adv.fund-growth		30.87	30.87
57,291	57,291	Reliance Power Sector Fund-dividend		31.11	31.11
36,459	36,459	Reliance Vision Fund-d		25.00	25.00
7,219	7,219	Reliance Vision Fund-growth		18.61	18.61
294,805	197,006	Religare Agile Fund-(lotus India Agile Fund-d)		30.00	20.00
97,555	-	Religare Growth Fund-growth		11.89	-
75,697	75,697	Sundaram Bnp Paribas Select Midcap Fund-d		18.72	18.72
90,941	90,941	Sundaram Capex Opp.- Growth		29.46	29.46
119,078	77,653	Tata Infrastructure Fund - D		35.75	25.75
84,361	84,361	Tata Service Industries Fund - Growth		21.63	21.63
54,915	54,915	Taurus Infra Tips		10.00	10.00
191,729	131,718	Uti Nifty Index Fund-d		60.00	50.00
-	14,736	Birla Sun Life Front Line Equity Fund-growth		-	11.11
-	78,153	Fidelity Equity Fund - Growth		-	23.61
-	195,599	Fidelity India Growth Fund		-	20.00
-	146,699	Franklin Asian Equity Fund		-	15.00

(Rs. in Lakhs)

As at		Mutual Fund Investment - Long term	As at	
31-Mar-10	31-Mar-09		31-Mar-10	31-Mar-09
Units			Cost	
-	100,915	Franklin Flexicap Fund-growth	-	29.94
-	61,925	FT India Balanced Fund-growth	-	28.04
-	97,800	Lotus Agile Fund	-	10.00
-	146,207	Lotus Equity Fund-growth	-	16.99
-	97,555	Lotus Growth Fund-growth	-	11.89
-	54,442	Sbi Mf Contra Fund - Growth	-	30.92
-	13,250	Tata Pure Equity Fund-growth	-	12.39
			738.98	876.97
Total Long Term Investments			2,181.48	2,366.14
Less: Provision for Diminution in Value of Long Term Investments			1,280.60	1,280.60
Long Term Investments - A			900.88	1,085.54

B. Current Investments

Units	Mutual Fund Current Investment			
317,405	-	Baroda Pioneer Liquid Fund - Growth	50.69	-
248,136	-	Baroda Pioneer Psu Bond Fund - Growth	25.00	-
1,315	-	Bharti Axa Equity Fund Regular Plan - Reg Dividend	0.17	-
73,855	-	Birla Sunlife Dividend Yield Plus - Dividend	10.00	-
111,408	-	Birla Sunlife Fronline Equity Fund - Dividend	24.25	-
831,121	-	Birla Sunlife Medium Term Fund - Growth - 90 Days Lock In	86.96	-
37,432	-	Canara Robeco Balance Fund - Dividend	17.81	-
132,599	-	Canara Robeco Treasury Advantage - Retail - Growth	20.00	-
37,256	-	Franklin India Blue Chip Fund - Dividend	14.49	-
209,083	-	Franklin India Flexi Cap Fund - Dividend	31.08	-
51,960	-	Franklin India Prima Plus Fund - Dividend	14.04	-
435,371	-	FT Life Stage Fof 50's Plus Floating Rateplan- G	78.40	-
62,536	-	HDFC Capital Builder Fund - Dividend	14.73	-
21,317	-	HDFC Floating Rate Income Fund - STP - WS - Growth	3.54	-
103,782	-	ICICI Prudential Liquid Instl Plus Fund - Growth	236.64	-
693,787	-	IDFC Cash Fund - Plan B - Growth	114.81	-
250,000	-	JP Morgan India Short Term Income Fund - Retail - G	25.00	-
1,410,653	-	Kotak Flexi Debt Scheme - Instl - Growth	159.78	-
371,160	-	LIC MF Savings Plus Fund - Growth	56.13	-
871,063	2,023	Principal Cash Management Fund - Liquid Option - Growth	131.03	0.34
498,787	-	Reliance Medium Term Fund - Growth	95.18	-
72,307	-	Religare Banking Fund - Dividend	9.55	-
125,393	-	Religare Contra Fund-dividend	14.64	-
52,604	-	SBI Magnum Comma Fund - Dividend	8.61	-
85,005	-	Sbi MF Magnum Balanced Fund - Dividend	22.10	-
73,357	-	SBI MF Magnum Equity Fund - Dividend	22.01	-
88,794	-	SBI MF Magnum Multiplier Plus - Dividend	47.42	-
245,694	-	SBNPP Capex Opportunities Fund - Dividend	32.17	-

		Investment		(Rs. in Lakhs)	
				As at	
31-Mar-10	31-Mar-09	Mutual Fund - Current Investment		31-Mar-10	31-Mar-09
Units				Cost	
1,147,054	-	SBNPP Ultra Short Term Fund -instl - Growth		141.22	-
66,782	-	Sundaram Bnpp Smile Fund - Dividend		8.03	-
9,095	41,425	Tata Infrastructure Fund - Dividend		1.94	5.30
11,283	-	Tata Treasury Manager - Ship - Growth		118.12	-
58,548	-	Taurus Ethical Fund - Dividend		9.29	-
500,000	-	Taurus Fmp Series 1 - 15 Months		50.00	-
3,420	-	Taurus Liquid Fund - Growth		41.33	-
68,073	-	Templeton Equity Income Fund-dividend		9.51	-
775,100	-	Templeton Floating Rate- Long Term Growth		130.56	-
150,248	-	Templeton India Equity Income Fund - Dividend		21.86	-
39,682	-	Templeton India Tma - Growth		570.66	-
19,338	-	Uti Floating Rate Fund-stp - Instl - Growth Option		200.09	-
957,093	-	Uti Short Term Income Fund - Instl - Growth		101.15	-
2,554	-	Uti Treasury Advantage Fund - Instl - Growth		31.70	-
-	112,275	Fortis Oppurtunities Fund-d		-	6.52
-	53,311	HDFC Cash Management Treasury Advantage Plan-wd		-	5.34
-	51,520	HDFC Core & Satellite Fund-dividend		-	5.65
-	682	Mirae Asset Cash Management Fund		-	6.87
-	36,523	Principal Balanced Fund - Dividend		-	3.28
-	60,011	UTI Nifty Index Fund-dividend		-	5.82
				2,801.70	39.12
Shares		Equity shares - Quoted - Current Investment			
2,000	-	3i Infotech Ltd		1.57	-
600	-	Amararaja Batteries		0.96	-
300	1,000	Ambuja Cements Ltd (Rs 2 Each)		0.29	0.71
100	4	Asian Paints Limited (Rs 10 Each)		1.76	0.03
2,500	-	Balrampur Chini Mills Ltd		2.31	-
4,850	825	Bharti Airtel Limited (Rs 10 Each)		15.12	5.16
4,000	-	Dhanalakshmi Bank Ltd		5.32	-
1,000	-	Everady Industries		0.60	-
2,000	1,300	GMR Infrastructure (Rs 2 Each)		1.26	1.23
1,000	-	Guj. State Petronet Ltd		0.87	-
1,400	-	IvrcI Infra		0.00	-
1,575	750	Jaiprakash Associates Ltd -(Rs 10 Each)		1.16	0.63
350	3,686	Larsen & Toubro Ltd -(Rs 2 Each)		4.96	24.76
4,000	-	NHPC Ltd		1.22	-
2,300	600	NTPC Ltd (Rs 10 Each)		4.70	1.08
250	-	ONGC		2.74	-
1,000	-	Praj Industries		0.85	-

Investment

(Rs. in Lakhs)

31-Mar-10	31-Mar-09	Equity Shares - Quoted - Current Investment	As at	
			31-Mar-10	31-Mar-09
Shares			Cost	
1,500	150	Prakash Industries (Rs 10 Each)	2.26	0.07
1,300	1,750	Punj Lloyd Limited (Rs 2 Each)	2.31	1.59
2,073	1,927	Reliance Communications Limited Fv - 5	3.54	3.37
5,700	3,998	Reliance Industries Ltd -(Rs 10 Each)	56.96	60.83
275	155	Reliance Infrastructure (Rs 10 Each)	2.74	0.80
900	3,050	Reliance Power Ltd (Rs 10 Each)	1.32	3.12
125	-	State Bank Of India	2.60	-
400	550	Tata Motors Ltd -(Rs 10 Each)	3.02	0.99
-	100	ABB Limited (Rs 2 Each)	-	0.43
-	800	Amaraja Batteries (Bonus Shares)	-	0.00
-	476	Bharat Heavy Electrical Ltd -(Rs 10 Each)	-	7.16
-	12	Divi's Laboratories Limited (Rs 2 Each)	-	0.11
-	104	Everest Kanto Cylinder Limited (Rs 2 Each)	-	0.12
-	1,375	Gail India Ltd (Rs 10 Each)	-	3.03
-	650	Grasim Industries Ltd	-	10.28
-	1,160	Gujarat Nre Coke (Bonus Shares)	-	0.00
-	1,000	Hcl Infosystems Ltd (Rs 2 Each)	-	0.76
-	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
-	2,000	Reliance Natural Resources (Rs 10 Each)	-	0.90
-	2,000	Reliance Petroleum (Rs 10 Each)	-	1.90
-	2,300	Satyam Computers	-	0.88
-	250	Sesa Goa (Bonus Shares)	-	0.00
-	1,200	Siemens Ltd -(Rs 2 Each)	-	3.22
-	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	Tata Consultancy Services Ltd (Rs 1 Each)	-	1.62
			120.44	135.63
		Total Current Investments - B	2,922.14	174.75
		Total Investments (A + B)	3,823.03	1,260.30

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Aggregate of :

Quoted Investments (Long Term)	156.66	203.33
Market Value of Quoted Investments(Long term)	1,044.86	749.58
Quoted Investments (Current Investment)	126.64	190.03
Market Value of Quoted Investments (Current)	120.44	135.63
Unquoted Investments	3,545.93	921.34

		Investment		(Rs. in Lakhs)	
		The Following Units were Purchased & Sold		As at	
31-Mar-10	31-Mar-09			31-Mar-10	31-Mar-09
Units				Cost	
1,797		- Aig India Short Term Fund - Retail - Growth	20.22		-
86,957		- Aig Treasury Fund - Retail - Growth	10.15		-
316,097		- Baroda Pioneer Liquid Fund - Growth	50.22		-
250,000		- Baroda Pioneer Psu Bond Fund - Growth	25.00		-
731,532		- Baroda Pioneer Treasury Advantage Fund - Growth	75.24		-
1,909		- Bharti Axa Treasury Advantage Fund - Growth	20.00		-
1,084,157		- Birla Floating Rate Fund-stp - G	160.00		-
831,469		- Birla Sunlife Medium Term Plan - Retail Growth	86.53		-
1,550,053		- Birla Sunlife Savings Fund - Retail - Growth	264.44		-
500,000		- Canara Robeco Dynamic Bond Fund - Retail - G	50.00		-
1,826,865	668,370	Canara Robeco Floating Rate Short Term	256.41		90.00
1,376,201		- Canara Robeco Treasury Advantage Retail -g	205.32		-
563,249		- Dspbr Floating Rate Fund - G	80.00		-
6,532		- Dspbr Money Manager Fund - Reg.growth	80.21		-
10,431,403		- DWS Cash Opportunities Fund -15 Days- G	1,218.16		-
3,361,540	2,761,598	DWS Money Plus Fund-growth	348.42		332.96
6,098,551		- DWS Short Maturity Fund-inst. Growth	644.66		-
973,126		- DWS Treasury Fund Cash - Regular Plan - Growth	98.84		-
8,203,314		- DWS Ultra Short Term Instl Plan - Growth	956.13		-
1,324,300		- Fortis Moneyplus Fund - Growth	178.64		-
943,590		- Fortis Overnight Fund-g	128.11		-
100,000		- Franklin Build India Fund	10.00		-
56,993		- Franklin India Prima Fund - Dividend Plan	22.00		-
311,746		- FT Life Stage Fof 50's Plus Floating Rateplan- G	55.00		-
8,359,954		- HDFC Cash Mgt Fund-Treasury Advantage Plan - Wholesale-G	1,651.90		-
14,765,956	6,107,328	HDFC Floating Rate Income Fund-stp-ws-g	2,265.71		875.75
835,175	967,071	HDFC High Interest Fund-g	145.41		200.00
940,081		- HDFC Short Term Plan - G	160.33		-
7,779,677	2,122,159	HSBC Floating Rate Long Term Instl. Growth	1,095.13		285.97
3,691,468		- HSBC Income Fund - Stp - Instl - G	454.15		-
5,257,506		- HSBC Ultra Short Term Bond Fund - Regular - Growth	653.41		-
1,175,938		- ICICI Prudential Flexible Income Plan Premium - Growth	1,295.67		-
710,036		- ICICI Prudential Floating Rate Plan - G - Option C	100.00		-
205,761		- ICICI Prudential Infrastructure Fund - Dividend	25.00		-
2,010,895		- ICICI Prudential Liquid Plan Instl Plus - Growth	1,320.19		-
404,137		- ICICI Prudential Stp - G	75.00		-
2,597,778		- IDFC - SSIF - ST - Plan D - G	281.42		-
2,078,894		- IDFC Cash Fund - Plan B - Instl - Growth	340.68		-
8,862		- IDFC Liquid Fund Plan A - Growth	112.39		-
6,250,641		- IDFC Money Manager Treasury Plan - Instl Plan B - Growth	905.51		-
473,044		- Kotak Bond Short Term - G	80.00		-
3,787,498	2,982,638	Kotak Flexi Debt Scheme Inst. Growth	422.20		323.45
3,322,314	2,918,240	Kotak Floater Long Term - Growth	479.31		395.44

Investment

(Rs. in Lakhs)

31-Mar-10	31-Mar-09	The Following Units were Purchased & Sold	As at	
			31-Mar-10	31-Mar-09
Units			Cost	
12,451,395		- Lic Mf Floating Rate Fund-stp - G	1,853.11	-
4,725,653		- Lic Mf Income Plus Fund - Growth Plan	574.78	-
3,458,146		- Lic Mf Liquid Fund - Growth	579.40	-
4,234,809		- Lic Mf Savings Plus Fund - Growth	609.12	-
1,030,545		- Principal Cash Management Fund - Liquid Option - Instl - G	152.14	-
950,643		- Principal Income Fund - Stp - Instl - G	150.00	-
4,773,129		- Principal Mf Floating Rate Fund - Instl - FMP - Growth	687.32	-
5,233,287		- Principal Ultra Short Term Fund - Growth	610.15	-
7,572,742	3,202,310	Reliance Floating Rate Fund - Growth Plan	1,064.50	435.57
91,794		- Reliance Growth Fund - Dividend	50.00	-
6,222,426	2,125,421	Reliance Medium Term Fund - RP - Growth Plan	1,159.64	376.76
197,473		- Reliance Money Manager Fund - Instl - Growth	2,419.22	-
1,509,595		- Reliance Short Term Fund - Retail Plan - G	250.00	-
490,572		- Religare Credit Opportunities Fund - Growth	50.00	-
618,175		- Religare Ultra Short Term Fund - Regular - Growth	75.34	-
310,875		- Sbi - Shf - Ultra Short Term Fund - Retail Plan - Dd	31.11	-
3,635,969		- Sbnpp Flexible Fund Short Term - Instl - Growth	523.07	-
4,616,035		- Sundaram Ultra Short Term Fund - Growth	559.88	-
5,979,557	2,211,076	Tata Floater Fund - Growth	806.16	273.74
602,065	374,747	Tata Short Term Bond Fund - G	100.00	61.88
72,230	5,514	Tata Treasury Manager Fund-HIP	751.21	61.07
1,276,595		- Taurus Liquid Fund - Retail - Growth	193.47	-
2,007,864		- Taurus Ultra Short Term Bond Fund - Retail Growth	293.68	-
47,871,869	1,152,155	Templeton India Floating Rate Income Fund Ltp-Instl-Growth	6,847.35	140.21
167,060	60,252	Templeton India Treasury Management - G	2,819.98	803.24
2,607,237	944,011	Templeton India Ultra Short Term Bond Fund - Growth	300.00	100.00
57,852	57,532	Templeton Short Term Income Plan-G	879.88	894.90
29,203	23,994	Templeton Treasury Management - Growth	534.67	484.78
103,763		- Uti Floating Rate Fund-stp - Instl - Growth Option	1,359.54	-
957,093		- Uti Short Term Income Fund - Instl - Growth	100.00	-
388,933		- Uti Spread Fund - G	50.00	-
16,579	10,270	Uti Trasuary Advantage Fund- Growth	200.02	135.11
-	9,905	Aig India Liquid Fund - Inst - G	-	105.26
-	3,279,956	Aig India Treasury Plus Fund -G	-	349.61
-	2,500	Aig Quarterly Interval Fund-series-1-G	-	25.00
-	2,000	Aig Quarterly Interval Fund-series-II-G	-	20.00
-	19,716	Aig Short Term Fund Inst-G	-	200.00
-	24,890	Birla Advantage Fund - D	-	25.00
-	271,192	Birla Cash Manager Fund-growth	-	58.05
-	627,297	Birla Floating Rate Fund - LT - G	-	88.29
-	309,789	Birla India Gennext Fund - D	-	50.00
-	839,420	Birla Short Term Fund-g	-	128.99
-	275,160	Birla Sun Life Liquid Plus - Inst - G	-	42.64
-	751,315	Birla Sunlife Cash Manager - Instnl.-G	-	109.70
-	1,769,244	Birla Sunlife Dynamaic Bond Fund - Dividend Monthly	-	183.84

Investment			(Rs. in Lakhs)	
31-Mar-10	31-Mar-09	The Following Units were Purchased & Sold	As at	31-Mar-09
Units			31-Mar-10	31-Mar-09
			Cost	
-	1,670,309	Birla Sunlife Floating Rate Fund-LT-G	-	239.58
-	843,667	Birla Sunlife Income Fund - Dividend Qrtly Opt.	-	100.01
-	1,087,154	Birla Sunlife Income Plus Fund - Dividend Qrtly Opt.	-	120.70
-	1,339,324	Birla Sunlife Liquid Plus-instl-growth	-	206.73
-	192,445	Birla Top 100 Fund-d	-	31.04
-	72,759	BSL Basic Industries Fund - D	-	26.38
-	436,091	BSL Interval Income - Retail - Monthly - Series 1 - D	-	43.61
-	809,112	BSL Interval Income - Retail - Monthly - Series 1 - G	-	86.30
-	992,678	BSL Monthly Interval Income Instl-SR. 2-G	-	103.66
-	953,980	BSL QIP Series-9-growth	-	100.00
-	1,052,235	BSL Qtly Interval - Series 4 - Dividend Reinvestment	-	105.22
-	978,259	BSL Qtly Interval - Series 4 - Growth	-	105.22
-	1,045,684	BSL Quarterly Interval Series 6-growth	-	110.73
-	500,000	Canara Robeco Fmp Series 3 - G	-	50.00
-	376,903	Canara Robeco Gilt Pgs Fund-dividend	-	50.00
-	335,849	Canara Robeco Income Dividend (Income) Fund	-	52.87
-	753,254	Canara Robeco Liquid Plus Fund-g	-	106.89
-	1,000,000	Canara Robeco Qip - Plan-2-series-2-G	-	100.00
-	12,361	DSP Blackrock Cash Plus-growth	-	138.00
-	102,400	DSP Blackrock Top 100 Equity Fund -regular- Div	-	25.00
-	36,009	DSP Floating Rate Fund-growth	-	5.06
-	39,083	DSP MI Top 100 Equity Fund -dividend	-	9.42
-	944,835	Dws Bond Premier-g	-	98.38
-	500,000	DWS Fixed Term Fund-series-58 - 90days-G	-	50.00
-	1,590,013	DWS Gilt Fund-institutional- G	-	173.06
-	4,783,156	DWS Insta Cash Plus Fund - Regular - G	-	664.44
-	3,785,690	DWS Liquid Plus Fund - G	-	503.55
-	1,402,126	DWS Premier Bond Fund-institutional- G	-	143.52
-	719,734	DWS Quarterly Interval Fund-series 1-growth	-	80.00
-	1,003,273	DWS Short Maturity Fund-instl.-monthly Dividend	-	100.33
-	668,398	DWS Short Maturity Plan Institutional-g	-	67.74
-	584,139	FT.india Mip-plan A	-	130.03
-	1,437,827	HDFC Cash Management Fund Savings Plan-growth	-	252.31
-	2,110,561	HDFC Cash Management Fund-savings Plus Plan - W-G	-	386.28
-	1,500,000	HDFC FMP 90 D Aug'2008 (1x) (2)-W-G	-	150.00
-	2,000,000	HDFC FMP 90 D Aug'2008 1x (4)-W-G	-	200.00
-	2,000,000	HDFC Fmp 90 D Jun2008 (Viii) (2) - W - D	-	200.00
-	1,540,020	HDFC Fmp 90 D November 2008 X (2) -w- G	-	154.00
-	2,000,000	HDFC Fmp 90 D September 2008 1x (2) -w- G	-	200.00
-	950,881	HDFC High Interest Fund-stp - Dividend Reinvt	-	101.13
-	217,476	HDFC Qif - Plan-a - Growth	-	25.00
-	974,892	HDFC Short Term Plan Dividend Reinvt	-	101.39
-	2,819,475	HSBC Flexi Debt -inst-halfyearly Dividend	-	281.95
-	2,505,933	HSBC Flexi Debt -inst-monthly Dividend	-	275.26

Investment

(Rs. in Lakhs)

31-Mar-10	31-Mar-09	The Following Units were Purchased & Sold	As at	
			31-Mar-10	31-Mar-09
Units			Cost	
-	2,875,053	HSBC Floating Rate Fund-It-instl-monthly Div	-	292.79
-	1,261,171	HSBC Floating Rate Fund-st-g	-	158.97
-	1,634,174	HSBC Interval Fund - 2 - Inst - Div Reinvst	-	163.42
-	1,523,706	HSBC Interval Fund - 2 - Inst - Growth-91 Days	-	163.42
-	1,046,150	HSBC Interval Fund Plan-3-growth	-	104.61
-	368,861	IDFC - Dynamaic Bond Fund-qrtly Dividend	-	40.00
-	929,609	IDFC - Liquid Plus Fund Treasury G	-	129.45
-	989,575	IDFC-ssif-st-plan-b-monthly Dividend	-	100.25
-	1,400,000	ING FMP - Series 46 - G	-	140.00
-	1,347,422	ING Income Fund -quarterly Dividend	-	147.19
-	703,384	ING Liquid Plus Fund - R -growth	-	78.69
-	1,313,7826	ING Liquid Plus Fund-inst-G	-	152.34
-	1,432,032	ING Qfmp-90-a-instl. - G	-	143.20
-	250,000	ING Quarterly Fmp-92-series-A1-G	-	25.00
-	179,376	ING Short Term Income Fund -G	-	26.42
-	1,806,457	ING Treasury Advantage Fund-inst-Q-DIV	-	180.65
-	270,173	ING Vysya Qfmp-92-a-instl-G	-	27.02
-	500,000	JM Fixed Maturity Fund-series-XII-QTRLY Plan-1-G	-	50.00
-	1,000,000	JM Fixed Maturity Fund-series-x-QTRLY Plan-5-G	-	100.00
-	129,991	JM Floater Short Term-G	-	17.42
-	250,000	JM FMF - Series-xiii- Monthly Plan-1-growth	-	25.00
-	1,000,000	JM FMP - Series-xii-quarterly Plan-3 - Growth	-	100.00
-	108,526	Jm High Liquidity Fund - Growth Plan	-	25.23
-	850,701	Jm Money Manager Fund Super Plus Plan-growth	-	102.84
-	756,687	Kotak Bond (Regular) - Quarterly Dividend	-	88.77
-	567,300	Kotak Bond (Short Term) - Monthly Dividend	-	58.58
-	750,000	Kotak Fmp 3m Series 31 - G	-	75.00
-	362,483	Kotak Gilt (Investment Regular)-QD	-	50.40
-	250,314	Kotak Monthly Interval Plan Series-2-G	-	25.03
-	491,048	Kotak Monthly Interval Plan Series-3-G	-	50.00
-	1,141,152	Kotak Quarterly Interval Plan Series-1-G	-	125.15
-	230,562	Kotak Quarterly Interval Plan Series-2-G	-	25.24
-	300,000	Kotak Quarterly Interval Plan Series-8-G	-	30.00
-	495,697	Lic Mf Interval Monthly Sr.1-G	-	50.00
-	2,439,275	Licmf Interval Fund - Series 1 - Monthly - G	-	244.99
-	1,128,382	Licmf Liquid Plus Fund - G	-	122.98
-	841,520	Lotus Fmp 3 Months Series 28- G	-	84.15
-	860,000	Lotus Fmp 3 Months Series Xxxv- G	-	86.00
-	251,009	Lotus India Mf Qif - Plan-F-G-9.65%	-	26.35
-	1,483,713	Lotus Liquid Fund- Growth	-	170.61
-	1,113,381	Lotus Monthly Interval Plan-A- G	-	111.82
-	1,005,281	Lotus Monthly Interval Plan-B- G	-	101.00
-	480,674	Lotus Quarterly Interval Plan-C- G	-	51.00
-	100,000	Mirae Asset Global Commodity Stocks Fund-D	-	10.00

			Investment	(Rs. in Lakhs)	
			As at		
31-Mar-10	31-Mar-09	The Following Units were Purchased & Sold	31-Mar-10	31-Mar-09	Cost
Units					
-	15,128	Mirae Asset Liquid Fund- Inst -G	-		155.23
-	500,000	Mirae Asset Monthly Interval Fund-series-I-G	-		50.00
-	39,799	Mirae Liquid Fund-g	-		402.94
-	250,000	Principal Pnb Fmp-30 Days-s-ii-sep'08-growth	-		25.00
-	1,555,868	Reliance Fhf Fund-xii-series-14-growth	-		155.59
-	1,514,876	Reliance Fhf Fund-x-series-13-growth	-		151.49
-	1,243,537	Reliance Fixed Horizon VIII - Series 11 - G	-		124.35
-	93,022	Reliance Income Fund-retail -G	-		25.00
-	226,838	Reliance Income Fund-retail -monthly Dividend	-		25.00
-	267,575	Reliance Liquid Fund- Cash Plan-growth-switch	-		38.52
-	40,419	Reliance Liquid Plus Fund-instl-G	-		473.04
-	334,052	Reliance Monthly Interval Fund-series II-G	-		37.24
-	1,500,000	Reliance Monthly Interval Fund-series-i-growth	-		150.00
-	337,327	Reliance Quarterly Interval Fund-series li-retail-growth	-		38.60
-	753,473	Reliance Short Term Fund-quarterly Dividend Reinvt	-		100.89
-	450,000	Sbi Debt Fund Series -30 Days-3-G	-		45.00
-	64,000	Sbi Mf Contra Fund - D	-		20.00
-	1,000,000	Sbi Mf Sdfs-90 Days-series-29-G	-		100.00
-	620,892	Sbi Micf Cash Option	-		118.47
-	430,715	Sbi Micf-liquid Floater	-		65.00
-	485,977	Sundaram Bond Saver-institutional -G	-		125.72
-	460,195	Sundaram Fixed Income Interval-qrtly Plan-B Regular- G	-		50.00
-	468,362	Sundaram Fixed Income Interval-qrtly Plan-c- G	-		50.00
-	500,000	Sundaram Ftp 90 Days Series-5 Retail - G	-		50.00
-	511,095	Sundaram Ftp 90 Days Series-7 Retail - G	-		51.11
-	524,424	Sundaram Ftp 90 Days Series-8 Retail - G	-		52.44
-	300,000	Sundaram Interval Fund -qrtly Plan-d Regular- G	-		30.00
-	1,745,869	Sundaram Money Fund-appreciation	-		314.68
-	1,000,000	Sundaram Pnb Paribas Fif-quarterly Series-plan-d	-		100.00
-	566,953	Tata Fixed Income Portfolio Fund Scheme A2-regular-g	-		61.14
-	1,880,233	Tata Dynamic Bond Fund - G	-		249.81
-	1,167,377	Tata Fixed Income Portfolio Fund-A2-G	-		120.59
-	402,113	Tata Fixed Income Portfolio Fund-A3-DIV Reinvt	-		40.21
-	394,872	Tata Fixed Income Portfolio Fund-A3-G	-		40.35
-	214,487	Tata Gilt Securities Fund-long Term-G	-		61.33
-	366,005	Tata Income Plus Fund (Option -B)-G	-		50.00
-	4,319	Tata Liquid High Investment Fund-G	-		60.00
-	7,748	Tata Liquid Super High Investment Fund-G	-		118.10
-	875,088	Tata Short Term Bond Fund-dividend	-		105.66
-	250,000	Templeton Fhf Series X - Plab-b (3m) -g	-		25.00
-	998,990	Templeton Fhf Series-x Plan-a-growth	-		99.90
-	1,000,000	Templeton Fixed Horizon Fund-series-x- Plan-a- (G)	-		100.00

Investment

(Rs. in Lakhs)

31-Mar-10	31-Mar-09	The Following Units were Purchased & Sold	As at	
			31-Mar-10	31-Mar-09
Units			Cost	
-	1,000,000	Templeton Fixed Horizon Fund-series-x- Plan-b- (G)	-	100.00
-	4,329,097	Templeton Floating Rate Income Fund	-	570.36
-	3,181,177	Templeton Floating Rate-st-g	-	471.93
-	1,079,382	Templeton India Govt. Sec. Fund-g	-	225.00
-	254,526	Templeton India Income Fund-dividend	-	27.06
-	346,367	Templeton India Income Fund-g	-	100.00
-	9,201	Templeton India Stip-regular-g	-	140.00
-	895,111	Templeton Quarterly Interval Plan -a- Inst. Growth	-	100.00
-	2,000,000	Templeton Quarterly Interval Plan -c- Inst. Growth	-	200.00
-	6,240	Templeton Treasury Management-liquid (G)	-	80.00
-	1,302	Templeton Treasury Mgn Account Regular Plan-growth	-	27.82
-	10,972,910	Templeton Ultra Short Bond Fund-ip-growth	-	1,139.99
-	986,964	Uit-qip-series-ii- Plan-v-g	-	100.00
-	973,606	Uti Fixed Income Interval Fund Series li Plan-v- (G)	-	100.00
-	18,486	Uti - Liquid Plus Fund - Inst - G	-	200.00
-	228,749	Uti Bond Fund - Dividend -reinv	-	28.13
-	191,982	Uti Bond Fund-growth	-	51.41
-	602,009	Uti F I I F-series-ii-quarterly Interval-plan lv-growth	-	61.00
-	1,334,211	Uti Fiif Qip Series lii -instl Growth	-	150.00
-	565,500	Uti Fixed Income Interval-monthly Interval Plan-ii-growth	-	60.00
-	456,283	Uti Fixed Income Interval-monthly-g	-	49.62
-	3,533	UTI Fixed Income Interval-monthly-series 1-g	-	0.38
-	26,712	UTI Floating Rate Fund-g	-	373.34
-	443,418	UTI Gilt Advantage Fund Long Term Plan-d	-	59.02
-	132,767	UTI Gilt Advantage Fund Long Term Plan-g	-	25.00
-	13,334	UTI Liquid Plus Fund-instl .growth	-	154.23
-	11,128	UTI Liquid Plus Fund-qtrly Div Reinv	-	140.35
-	6,525	UTI Liquid Plus-growth	-	94.24
-	985,434	UTI Monthly Interval Plan Series 1 - D Reinv	-	100.93
-	961,319	UTI Monthly Interval Plan Series 1 - G	-	100.11
-	2,111,614	UTI Qip Series lii - Div Reinv	-	211.16
-	1,887,575	UTI Qip Series lii - G	-	201.84
-	500,000	UTI Short Term Fixed Maturity Series 1-ix-90 Days-growth	-	50.00
-	1,000,000	Uti Short Term FMP-series-I-V (140 Days)	-	100.00
-	1,022,935	UTI-FMP-QFMP-06/08-instl-growth-II	-	102.29
-	1,046,657	UTI-short Term Fmp - Series-i-ix (90 Days) -instl-growth	-	104.67
	Shares		43,541.84	28,050.31
4,500	2,000	3i Infotech Ltd	3.85	2.33
3,000	-	Adani Power Ltd	2.92	-
300	-	Alstom Projects Ltd	1.50	-
1,500	3,100	Amara Raja Batteries	2.37	4.43

			(Rs. in Lakhs)	
			As at	
Investment				
31-Mar-10	31-Mar-09	The Following Shares were Purchased & Sold	31-Mar-10	31-Mar-09
Shares			Cost	
2,000		- Andhra Sugars Ltd	1.77	-
250		- Asian Paints Ltd	4.62	-
5,775	1,150	Axis Bank Ltd	49.00	6.41
900		- Balrampur Chini Mills Ltd	1.04	-
300		- Bank Of Baroda	1.53	-
425	3,067	Bharat Heavy Electricals Limited	9.14	52.71
4,100	1,950	Bharti Airtel Ltd	18.32	15.96
550		- Cadila Healthcare Ltd	2.42	-
5,000		- City Union Bank Ltd	1.24	-
1,100		- Coromandal Fertilisers Ltd	1.63	-
200		- Cummins India	0.71	-
200		- Df	0.79	-
350		- Educomp Solutions Ltd	2.41	-
1,176		- Emami Ltd	6.62	-
500		- Essar Oil	0.71	-
1,600		- Genus Power Infrastructure Ltd	3.39	-
25	175	Grasim Industries Ltd	0.65	4.61
500		- GUJ. State Petronet Ltd	0.45	-
2,800	750	HDFC Bank Ltd	39.81	7.32
1,000	1,006	HDFC Limited	24.31	17.20
75		- Hero Honda	1.22	-
250		- Hindustan Uniliver Ltd	0.57	-
2,700		- ICICI Bank Ltd	19.29	-
1,250	1,500	Indian Bank	1.96	2.24
1,000		- Indraprastha Gas Ltd	1.19	-
575	625	Infosys Tech Ltd	12.61	9.66
2,649	300	ITC Ltd	5.05	0.50
3,500	500	IVRCL INFRA	11.47	1.79
700		- JSW Steel Ltd	6.84	-
7,450	325	Larsen & Turbo Ltd	109.32	2.96
350		- LIC Housing Finance Ltd	2.13	-
1,100		- Maruti Suzuki Ltd	14.01	-
2,200	2,600	NTPC Limited	4.66	4.62
400	900	Oil And Natural Gas Corporation Limited	3.94	8.82
200		- Opto Circuit	0.41	-
1,000	2,000	Petronet Lng	0.71	1.65
3,500		- Praj Industries	3.17	-
100	2,200	Punjab National Bank	0.74	9.29
100		- Reliance Communications Ltd	0.23	-
1,510	1,450	Reliance Capital Limited	12.98	17.84
9,936	375	Reliance Industries Ltd	191.25	4.52

Investment

(Rs. in Lakhs)

31-Mar-10	31-Mar-09	The Following Shares were Purchased & Sold	As at	
			31-Mar-10	31-Mar-09
Shares			Cost	
1,575	1,625	Reliance Infrastructure	18.49	19.60
1,000	-	Reliance Natural Resources Ltd	0.62	-
100	-	Reliance Power Ltd	0.17	-
2,000	650	Satyam Computer Services Ltd	0.87	2.59
2,850	250	Sesa Goa Ltd	5.37	0.89
100	-	Siemens Ltd	0.49	-
1,450	-	Sintex Industries	2.09	-
4,325	1,400	State Bank Of India	71.15	18.62
900	1,300	Sterlite Industries (India) Ltd	6.28	6.03
1,000	-	Syndicate Bank	0.72	-
200	300	Tata Consultancy Services Limited	1.41	2.72
100	-	Tata Motors Ltd	0.40	-
1,700	450	Tata Steel Ltd	7.78	1.19
3,400	-	TCS Ltd	13.91	-
1,500	-	Unitech Ltd	1.12	-
900	550	Wipro	5.32	2.33
-	25	Aban Loyd Chiles Offshore Ltd	-	0.53
-	1,375	ABB Ltd	-	14.16
-	1,500	Allahabad Bank	-	1.19
-	1,900	Bartronics India Limited	-	4.40
-	100	Bharat Electronics Ltd	-	0.87
-	500	Biocon Ltd	-	2.33
-	5,000	Bongaigaon Refinery	-	2.93
-	284	Britania Industries	-	3.79
-	1,400	Chennai Petroleum	-	2.98
-	250	Colgate Palmolive Ltd	-	1.04
-	500	Container Corp Of Ind Ltd	-	4.50
-	750	Dabur India Ltd	-	0.66
-	550	EIH Limited	-	0.70
-	2,350	Emco Limited	-	2.75
-	1,300	Gail (India) Ltd	-	3.90
-	2,000	Gateway Districtpark	-	2.00
-	500	Ge Shipping	-	1.36
-	500	Glenmark Pharmaceuticals	-	3.28
-	300	Godrej Consumer Products Ltd	-	0.38
-	5,150	Gujarat Nre Coke Ltd	-	4.46
-	850	HCL Technologies Ltd	-	2.23
-	664	Housing Dev & Infra Ltd	-	3.73
-	1,330	Jaiprakash Associates Ltd	-	3.20
-	3,000	KS Oil Ltd	-	2.37
-	2,000	MRPL	-	1.95

			Investment	(Rs. in Lakhs)	
			As at		
31-Mar-10	31-Mar-09	The Following Shares were Purchased & Sold	31-Mar-10	31-Mar-09	
Shares			Cost		
-	1,000	Nagarjuna Constcution Co	-	1.34	
-	2,000	NLC	-	2.73	
-	300	Patni Computers	-	0.80	
-	400	Reliance Communication Limited	-	0.97	
-	100	Reliance Industrial Infra	-	1.28	
-	750	Reliance Petroleum Ltd	-	1.22	
-	1,500	Shipping Corp of India Ltd	-	2.58	
-	2,225	Tamilnadu Newsprint & Paper Ltd	-	2.08	
-	850	Tanla Solutions Ltd - Face Value Rs.2	-	2.09	
-	250	Tata Power	-	2.55	
-	1,200	Tech Mahindra Ltd	-	10.32	
-	1,000	Torrent Power	-	1.34	
-	200	Varun Industries	-	0.11	
-	4,700	Varun shipping	-	3.35	
			721.13	333.27	

Schedule 7

CURRENT ASSETS, LOANS AND ADVANCES

A Current Assets

a. Inventories

Raw Materials	247.75	134.92
Stores and Spare Parts	455.09	499.96
Stock-in-trade :	-	
- Sugar	2,774.36	3867.65
- Molasses	1,307.22	1411.67
- Industrial Alcohol	186.03	494.69
- Work in process	160.87	216.33
- Stock in transit	0.25	0.03
Total	5,131.56	6,625.25

b. Sundry Debtors

(Unsecured and considered good)

Outstanding for a period of more than six months	37.60	27.02
Other Debts	1,950.14	517.16
Total	1,987.74	544.18

c. Cash and Bank Balances

Cash on Hand	1.46	2.66
Balances with Scheduled Banks :		
On Current Accounts	290.06	817.77
Unclaimed Dividends / Debenture Redemption and fractional warrant accounts	4.11	4.12
On Deposit Accounts	2,069.40	3,723.45
[includes security pledged to Banks for margin Rs.266.30 Lacs]		

	As at	
	31-Mar-10	31-Mar-09
	(Rs. in Lakhs)	
Balances with Non-Scheduled Bank on Current Account (Thiruchirapalli District Central Co-operative Bank Ltd.& Mandya Dist Co-op Bank, maximum amount outstanding at any time during the year Rs.239.98 lacs)	3.77	2.68
Total	2,368.81	4,550.68
B. LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
- Considered good	425.08	1,224.86
- Considered doubtful	55.54	55.54
Advances to Subsidiaries		
- Considered doubtful	55.17	55.17
	535.79	1,335.57
Less: Provision for doubtful advances	110.71	110.71
	425.08	1,224.86
Advance payment of Income Tax	956.12	810.55
Balance with Central Excise Authorities	54.81	215.12
Deposits	74.90	680.31
Total	1,510.91	2,930.84
Schedule 8		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	3,511.55	5,100.89
Investor Education and Protection Fund (not due)	4.12	4.12
"Unclaimed Dividends / Debenture redemption and fractional warrants"		
Interest accrued but not due on loans	352.65	254.99
Other Liabilities	2,496.71	2,615.26
Total	6,365.03	7,975.25
PROVISIONS		
Wealth Tax	0.35	1.32
Income Tax	486.87	385.42
Fringe Benefit Tax	-	16.00
Total	487.22	402.74
Schedule 9		
SALES		
Sugar	25,144.57	20,900.84
Molasses	-	1,026.64
Bagasse	-	94.89
Industrial Alcohol	3,674.96	3,143.22
Electric Power	6,141.19	1,968.32
Others	94.03	121.56
Total	35,054.75	27,255.47

		As at	
		31-Mar-10	31-Mar-09
		(Rs. in Lakhs)	
Schedule 10			
OTHER INCOME			
Rent received		9.52	2.13
Interest income (Gross) including TDS Rs.21.07 lakhs (Prev.Yr.Rs.72.87 lakhs)		205.61	364.87
Dividend		78.63	82.08
Profit on Sale of Investments		223.51	11.22
Subsidy on Export/Interest on Buffer stock -		-	353.17
Provision Written Back		-	102.81
Prov for Diminution in Value of Short term Investments written back		40.04	490.54
Exchange rate fluctuation		-	66.83
Other Miscellaneous Income		162.77	163.39
	Total	720.08	1,637.04
Schedule 11			
MATERIAL CONSUMED			
Raw Material		23,146.98	19,364.94
Chemicals and Others		482.40	626.68
Others		425.07	438.26
	Total	24,054.45	20,429.88
Schedule 12			
MANUFACTURING AND OTHER EXPENSES			
Salaries, Wages & Bonus		1,217.93	1,521.16
Managing Director Remuneration		53.76	53.76
Managing Director Commission		47.64	-
Employees' Welfare expenses		80.76	93.99
Contribution to Provident and other funds		169.64	102.43
Power & Fuel		188.86	755.45
Freight and Transport		166.36	98.27
Lease Rent		155.05	788.82
Rent		36.43	38.39
Rates & Taxes		86.22	42.96
Excise Duty-Expunged		455.56	473.23
Repairs & Maintenance - Buildings		447.86	157.08
Repairs & Maintenance - Machinery		1,476.19	1,250.19
Repairs & Maintenance - Others		78.30	58.35
Insurance		72.22	103.52
Directors' Sitting Fees		1.50	1.35
Directors' Travelling Expenses		43.01	32.17
Auditors' Remuneration		3.84	3.82
Research and Development expenses		4.56	3.88
Bank Charges		44.96	47.71
Conveyance - Local		15.73	14.88
Travelling other than directors		66.49	80.33

	As at	
	31-Mar-10	31-Mar-09
	(Rs. in Lakhs)	
Professional Fees	62.53	109.04
Commission	80.47	116.72
Loss on Sale of Assets	3.67	1.15
Miscellaneous	28.56	25.80
Rebates & Discounts	101.01	-
Administration Expenses - Other	246.04	235.69
Total	5,435.17	6,210.14
Schedule 13		
INCREASE / DECREASE IN STOCK		
Opening stock		
Work in Process	216.33	273.32
Finished Stock :		
Sugar	3,867.65	4,042.53
Molasses	1,411.94	180.60
Industrial Alcohol	494.69	36.68
Total	5,990.61	4,533.13
Closing stock		
Work in process	160.87	216.33
Finished stock :		
Sugar	2,774.36	3,867.65
Molasses	1,307.22	1,411.94
Industrial Alcohol	186.03	494.69
Total	4,428.48	5,990.61
Increase / (Decrease) in stock of finished goods	1,562.13	(1,457.48)
Schedule 14		
INTEREST		
Term Loans	520.18	481.59
Other Loans	8.52	64.12
Total	528.70	545.71
Schedule 15		
Exceptional item		
Sales tax payable under sales tax settlement scheme	-	577.73
Less : Principle waiver under Sales Tax settlement scheme	-	150.21
Total	-	427.52

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 up to 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 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 trade 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 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 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 work men 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 income / expense".

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 likely hood 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 and 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 / Zero Coupon Bonds are secured by the first charge on all movable and immovable properties except book debts of the 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.6512.02 lacs (Previous year Rs. 6627.75 lacs) of which Rs.5758.20 is secured by an exclusive second charge on all movable and immovable properties except book debts of the Company situated at Kattur, Tamilnadu and Rs.753.82 Lacs is secured by guarantee from Indian Bank.
- (b) Loan from Indian Bank of Rs. 4970.50 lacs (previous Rs. 4753.54 lacs) consists of the following.
 1. Loan for modernisation/expansion/Cogeneration amounting to Rs. 2035.66 Lacs (Previous year Rs. 2038.60 lacs) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.
 2. Medium Term Loan (Central Excise) of Rs. 2384.08 lacs (Previous year Rs. 2714.94 lacs) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.
 3. Short term loan Indian Bank of Rs.550.76 lacs (Previous year Rs. Nil) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.
- (c) Loan from Holding Company is secured on the hypothecation of movable properties including movable Plant and Machinery and inventories situated at Kattur unit.
- (d) Unsecured Loans except Agriculture and Irrigation loan are Interest free.

3. Capital Redemption Reserve:

A Sum of Rs. 207.71 lacs (Previous Year Rs. 9.17 lacs) has been appropriated towards the above reserve on redemption of Preference Shares as per AAIFR order dated 17-06-2004.

4. Employee Benefits:

Liability to existing employees of the company in respect of gratuity is covered under a common insurance policy in favour of Kothari Sugars & Chemicals Gratuity Trust. The cumulative liability of the employees is actuarially valued by the trust under projected unit credit method. Investments available for policy and contribution being effected are adequate to cover the liability of the employees.

The following table sets forth the status of the unavailed earned leave and Gratuity plan of the Company and the amounts recognized in the Balance sheet and Profit and loss Account:

(a) Earned Leave

Disclosure Table - Valuation as on 31-03-2010		Rs. 000's
Accrued Liability as at the beginning of the period		664
Interest cost		0
Current service cost		29
Past service cost		- 31
Curtailement cost		0
Settlement cost		0
Benefits Paid		0
Actuarial Gain/Loss		0
Accrued Liability as at the end of the period		662
(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		662
Fair value of the plan assets(zero as no fund is being maintained)		0
Liability to be recognized in the Balance Sheet		662
Expenses to be recognized in P/L account		Rs.000's
Interest cost		0
Current service cost		29
Past service cost		-31
Expected return on plan assets		0
Current service cost (Credit)		0
Settlement cost (credit)		0
Net actuarial (gain)/loss		0
Net expenses to be recognized in P/L a/c		-2
Reconciliation		Rs.000's
Net liability as at the beginning of the period		664
Net expenses in P/L a/c		-2
Benefits paid		0
Net liability as at the end of the period		662
Principal Actuarial Assumptions		Rs.000's
Interest rate (Liabilities)		8.00%
Return on assets		N.A
Mortality table		LIC(94-96)
Resignation rate per annum		5%
Salary escalation rate		10%

(b) Gratuity

Rs. in Lacs

Particulars	Gratuity Plan 2009-10
Projected benefit obligation at the beginning of the period	142.33
Current service cost	10.68
Interest cost	8.25
Actuarial loss / (gain)	68.53
Benefits paid	(18.74)
Projected benefit obligation at the end of the period	211.05
Amounts recognised in the balance sheet	
Projected benefit obligation at the end of the period	211.05
Fair value of plan assets at end of the period	172.19
Funded status of the plans-(asset)/liability	38.86
Liability recognized in the balance sheet	38.86
Cost for the period	
Current service cost	8.25
Interest cost	10.68
Expected return on plan assets	(12.17)
Net actuarial (gain)/loss recognized in the period	52.06
Past service cost	(19.95)
Net Cost recognized in Profit & Loss account.	38.86

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 193.99 Lacs (Rs. 275.52 Lacs).
- (c) Income Tax demands under appeal Rs.Nil (Rs. 178.64 Lacs)
- (d) Claims against the company not acknowledged as debt amount to Rs Nil (Rs. 1.98 Lacs)
- (e) Estimated amount of Contracts remaining to be executed on Capital Account & not provided for, amount to Rs.24.79 Lacs (Rs.28.51 Lacs).
- (f) Urban Land Tax under appeal Rs. 34.13 Lacs.(previous year Rs.32.08 Lacs).
- (g) Customs Duty under appeal Rs.73.39 Lacs. (Rs.73.39 Lacs).
- (h) Other Contingent Liabilities:

Rs. in Lacs

Contingent Liability	31-03-2010	31-3-2009
Guarantees to banks on behalf of other companies	600.00	600.00
Bank Guarantees/ Letter of credit	1055.55	846.20
Corporate Guarantees to banks on behalf of farmers	Nil	634.00

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.Nil (Previous year Rs.102.81 lacs)
8. **Quantitative information in respect of goods manufactured**

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

Items	Unit	31-03-2010	31-03-2009
Sugar	TCD	6,400	6,400
Industrial Alcohol	KLPA	18,000	18,000

(b) **Raw Materials Consumed**

Items	31.03.2010		31.03.2009	
	Quantity (MT)	Value (Rs. in Lakhs)	Quantity (MT)	Value (Rs. in Lakhs)
Sugarcane	10,06,980	20,192.43	13,10,205	19,364.94
Others	-	3,862.01	-	1,064.94
Total	10,06,980	24,054.44	13,10,205	20,429.88
Of the above				
Imported	0 %	Nil	0 %	NIL
Indigenous	100 %	24,054.44	100 %	20,429.88
Total		24,054.44		20,429.88

(c) **Finished Goods**

Particulars	U O M	31.03.2010		31.03.2009	
		Quantity	Value (Rs. in Lakhs)	Quantity	Value (Rs. in Lakhs)
Sugar:					
Opening Stock	Quintals	205,212.00	-	278.50	-
Production		888,020.00	-	1,234,177.00	-
Sales		962,044.00	25,144.57	1,307,415.00	20,900.84
Closing Stock		131,188.00	-	205,212.00	-
Molasses :					
Opening Stock	M.T	13,476	-	19,364	-
Production		43,072	-	47,825	-
Purchase		13,500	-	-	-
Sales		-	-	22,700	1,026.64
Captive use		39,688	-	31,013	-
Closing Stock		30,360	-	13,476	-
Power:					
Opening Stock	Kwh	-	-	-	-
Production		174,435,747	-	104,429,836	-
Purchase		1,300,300	-	1,006,500	-
Sales		124,452,187	6,141.19	62,260,300	1,968.32
Captive use		51,283,860	-	43,176,036	-
Closing Stock		-	-	-	-
Industrial Alcohol:					
Opening Stock	KLs	2,051	-	440	-
Production		10,618	-	15,695	-
Sales		12,044	3,674.96	14,084	3,143.22
Internal Consumption		-	-	-	-
Closing Stock		625	-	2,051	-

(Rs. in Lakhs)

9. Expenditure incurred in foreign currency on account of:	31.03.2010	31.03.2009
Travelling	32.83	20.64
Subscription to Journal	0.28	-
Total	33.11	20.64
10. (a) Auditors' Remuneration:		
Audit Fees	2.25	2.25
Certification Work	1.59	1.57
Total	3.84	3.82
(b) Cost Auditors' Remuneration:		
Cost Audit Fees	0.25	0.15
11. CIF Value of imports:		
Raw Materials	Nil	Nil
Capital goods	Nil	Nil
12. Earnings in Foreign Currency		
Sales on FOB basis	Nil	1796.07
Others	60.05	-
13. (a) Remuneration to Managing Director		
Salaries	48.00	48.00
Contribution to Provident Fund	5.76	5.76
Commission	47.64	-
Total	101.40	53.76

(b) Computation of Managerial Remuneration under Section 198 of the Companies Act, 1956 (Rs. in Lakhs)

	2009-10		2008-09	
Net Profit Before Tax		1921.60		114.79
Add:				
1. Depreciation provided in Accounts	1356.76		1297.67	
2. Director's remuneration (including PF)	53.76		53.76	
3. Director's commission	47.64		-	
4. Directors Sitting Fees	1.50		1.35	
5. Loss of capital nature including loss on sale of the undertakings of a company	3.67		1.15	
		1,463.33		1,353.93
Total		3,384.93		1,468.72
Less:				
1. Profits from the sale of the immovable property or fixed assets of a capital nature	-		-	
2. Depreciation under Section 350 of the Act	1,356.76		1,297.67	
Total		1,356.76		1,297.67
Net Profit for Section 198 of the Companies Act, 1956		2,028.17		171.05

14. (a) Segment Disclosure

A. Primary Segment Information

(Rs. in Lakhs)

	Sugar		Power		Distillery		Eliminations		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1. REVENUE										
External sales	24,313.42	24,534.67	6,143.55	-	3,681.76	1,432.62	-	-	34,138.73	25,967.29
Inter segmental revenue	4,164.05	157.66	4,023.92	-	0.07	-	(8,188.03)	(157.66)	-	-
Total revenue	28,477.47	24,692.33	10,167.46	-	3,681.83	1,432.62	(8,188.03)	(157.66)	34,138.73	25,967.29
2. RESULTS										
Segment results	959.88	84.51	3,076.60	-	(395.26)	1,223.80	-	-	3,641.22	1,308.31
Unallocated (Exp.)/Income	-	-	-	-	-	-	-	-	(1,742.67)	(729.89)
Interest expenses	(323.02)	(545.71)	(133.96)	-	(71.73)	-	-	-	(528.70)	(545.71)
Interest and dividend Income	-	-	-	-	-	-	-	-	551.76	82.08
Profit/(loss)	636.86	(461.20)	2,942.65	-	(466.99)	1,223.80	-	-	1,921.60	114.79
3. OTHER INFORMATION										
Segment Assets	15,438.46	20,574.36	9,298.77	8,122.11	6,966.85	6,682.70	-	-	31,704.08	35,379.16
Unallocated assets	-	-	-	-	-	-	-	-	3,880.84	1,365.73
Total Assets	15,438.46	20,574.36	9,298.77	8,122.11	6,966.85	6,682.70	-	-	35,584.92	36,744.89
Segment Liabilities	12,917.19	17,369.15	6,072.83	4,088.05	5,599.96	5,331.55	-	-	24,589.98	26,788.75
Unallocated Liabilities	-	-	-	-	-	-	-	-	-	-
Total Liabilities	12,917.19	17,369.15	6,072.83	4,088.05	5,599.96	5,331.55	-	-	24,589.98	26,788.75
Capital Expenditure	220.69	489.21	450.79	-	-	1,456.66	21.27	29.40	692.75	1,975.27
Depreciation	443.32	1,075.86	664.43	-	218.89	195.41	30.12	26.40	1,356.76	1,297.67
Noncash expenses	-	-	-	-	-	-	-	-	-	-
Other than depreciation	-	-	-	-	-	-	-	-	-	-

(Rs. in Lakhs)

B. Secondary Segment Information

2009-10

2008-09

Particulars	2009-10		2008-09	
	India	Rest of the World	India	Rest of the World
1. Revenue by Geographical Market	34,138.73	-	25,967.29	-
2. Carrying amount of Segment Assets	31,704.08	-	35,379.16	-
3. Additions to Fixed / Intangible Assets	692.75	-	1,975.27	-

(a) Notes Relating to Segment

(i) Business Segments

The company has considered business segments as the primary segments for disclosure. The business segments are : **Sugar, Power and Distillery.**

Sugar segment comprises of Sugar and Molasses, Power segment comprise generation of power from bagasse and coal and 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.

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:

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

Sl. No.	Description of Related Party	Name of Related Party
1.	Holding Company	Parvathi Trading & Finance Co Pvt. Limited
2.	Key Management Personnel	Mr.B.H.Kothari
3.	Subsidiary Company	Kothari International Trading Limited
4.	Entities having significant influence	(i) Kothari Bio Tech Limited (ii) Kothari Safe Deposit Limited (iii) Kothari Petrochemicals Limited (iv) Century Foods Pvt. Limited

(b) Transactions with Related Parties

(Rs.in Lakhs)

Companies	Holding		Subsidiary		Entities having significant influence		Key Personnel	
	09-10	08-09	09-10	08-09	09-10	08-09	09-10	08-09
Rent	-	-	-	-	31.85	27.46	-	-
Inerest	-	-	-	-	-	4.04	-	-
Expenses reimbursed	-	-	-	-	64.05	-	-	-
Purchases (PIB/scrap)	-	-	-	-	1.48	-	-	-
Remuneration	-	-	-	-	-	-	53.76	53.76
Commission to CMD	-	-	-	-	-	-	47.64	-
Loan Given	-	-	-	-	38.94	146.59	-	-
Loan Taken	-	-	-	-	109.68	70.00	-	-
Outstanding balances as at 31.03.2010								
Loans and Advances	-	-	55.51	55.17	22.58	9.96	-	-
Secured Loans	1,319.78	1,437.09	-	-	-	-	-	-
Loans	2,243.75	2,410.89	-	-	-	-	-	-
Investment	-	-	99.98	99.98	1,201.90	1,201.90	-	-
Share Capital	4,815.98	5,006.35	-	-	-	-	-	-

16. Earnings per Share:

Particulars	2009-10	2008-09
Net Profit after Tax & Exceptional item (Rs. in lacs)	1138.79	84.17
No. of Equity Shares of Rs. 10/- each	82888580	82888580
Earning per Share (Basic & Diluted) (Rs.)	1.37	0.10

17. Provision for Taxation:

Deferred Tax:

To comply with the Accounting Standard 22 accounting for taxes on income the Company estimates the deferred tax charge/(credit) using the substantially enacted tax rate applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year.

Rs.in lakhs

Deferred Tax Liability / (Asset)	Balances as at 1st April 2009	Charge / (Credit) Year ended March 31, 2010	Balances as at Year ended March 31, 2010
Depreciation	-	2,916.19	2,916.19
Sec. 43B Disallowances under IT Act, 1961	-	(387.23)	(387.23)
Business Loss	-	(2,061.78)	(2,061.78)
Deferred Tax Liability (Net)	-	467.18	467.18

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. The Company has surrendered the lease and necessary formalities have been completed and the effects of annulment of lease are reflected in the financial statements.

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	6.91 (P.Y. 7.68)	6.59 (P.Y. 7.33)
Later Than One Year but not later than Five years	Nil (P.Y. 6.91)	Nil (P.Y. 6.59)
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 2010	31st March 2009
Kothari International Trading Limited	55.51	55.17
Maximum amount due at any time during the year	55.51	55.17

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	31.03.2010
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 its concerns members of the holding company.	
a. Not dealt with holding Company's accounts	
1. For the financial year ended 31.03.2010	(0.48)
2. For the previous Financial year of the Subsidiary Company since they became the holding Company's subsidiary.	(1.39)
b. Dealt within the holding Company's accounts	
1. For the financial year ended 31.03.2010	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
21. Previous year figures have been regrouped and rearranged wherever necessary to confirm to the classification for the year.	

For and on behalf of the Board

for **R.Subramanian and Company**
Chartered Accountants
Firm No. 004137S

B H Kothari
Chairman & Managing Director

P S Gopalakrishnan
Director

R Rajaram
Partner
M.No.25210

Place : Chennai
Date : August 11, 2010

R Prakash
Company Secretary

NOTES ON ACCOUNTS

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

I. Registration Details

Registration No.	18-4310
Balance Sheet Date	31.03.2010

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 Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	2873266
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Total Assets	2873266
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Sources of Funds

Paid-Up Capital	941386
Secured Loans	1607311

Reserves & Surplus	158108
Unsecured Loans	119743

Application of Funds

Net Fixed Assets	2076287
Net Current Assets	414677
Accumulated Losses	0

Investments	382303
Misc. Expenditure	0

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

Turnover	3485880
Profit/(Loss) before Tax	192160
Earnings/Share in Rs.	1.37

Total Expenditure	3293721
Profit/(Loss) After Tax	113879
Dividend Rate %	0

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 & Managing Director

P S Gopalakrishnan
Director

Place : Chennai
Date : August 11, 2010

R Prakash
Company Secretary

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, 2010 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 the subsidiary whose financial statements reflect total assets of Rs.39.11 Lakhs as at March 31, 2010 and total revenues of Rs.38.63 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 31.03.2010 and the audited financial statements of the associate Kothari Petrochemicals Limited as on 31.03.2010. 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 auditor.

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, 2010.
- 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
Firm No. 004137S

Place: Chennai
Date : August 11, 2010

R Rajaram
Partner
M.No.25210

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Balance Sheet as at March 31, 2010

(Rs.in Lakhs)

	Schedule	31-Mar-2010	As at 31-Mar-09
SOURCES OF FUNDS			
Shareholders' Funds			
a. Capital	1	9,413.86	9,513.86
b. Reserves & Surplus	2	2,593.15	1,496.39
		<u>12,007.01</u>	<u>11,010.25</u>
Minority Interest			
		-	-
Loan Funds			
a. Secured Loans	3	16,073.11	16,386.29
b. Unsecured Loans	4	1,380.08	2,207.11
		<u>17,453.19</u>	<u>18,593.40</u>
Deferred Tax Liability			
		467.18	-
Total		<u>29,927.39</u>	<u>29,603.65</u>
APPLICATION OF FUNDS			
Fixed Assets			
a. Gross Block	5	31,166.92	30,496.78
b. Less : Depreciation		11,650.18	10,302.69
Net Block		<u>19,516.75</u>	<u>20,194.09</u>
Capital Work in Progress including advances		1,246.13	639.56
		<u>20,762.88</u>	<u>20,833.65</u>
Investments			
	6	5,003.20	2,482.04
Current Assets, Loans & Advances			
a. Inventories	7	5,131.56	6,625.22
b. Sundry Debtors		1,987.74	544.18
c. Cash and Bank Balances		2,370.04	4,552.09
d. Loans & Advances		1,735.77	3,155.67
		<u>11,225.11</u>	<u>14,877.19</u>
Less : Current Liabilities & Provisions			
a. Current Liabilities	8	6,576.59	8,186.49
b. Provisions		487.22	402.74
		<u>7,063.81</u>	<u>8,589.23</u>
Net Current Assets		<u>4,161.30</u>	<u>6,287.96</u>
Total		<u>29,927.39</u>	<u>29,603.65</u>
Significant Accounting Policies	16		
Notes on Accounts	17		

The Schedules referred above and notes in Schedule 17 form an integral part of this Profit and Loss Account and should be read in conjunction therewith

For and on behalf of the Board

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

Chartered Accountants

Firm No. 004137S

B H Kothari
Chairman & Managing Director

P S Gopalakrishnan
Director

Place : Chennai
Date : August 11, 2010

R Prakash
Company Secretary

R Rajaram
Partner
M.No.25210

Consolidated Profit & Loss Account for the year ended March 31st, 2010

(Rs.in Lakhs)

	Schedule	As at	
		31-Mar-10	31-Mar-09
INCOME			
Sales (Gross)	9	35,054.75	27,255.48
Less: Excise Duty		916.02	1,324.29
Sales (Net)		34,138.73	25,931.19
Other Income	10	720.08	1,637.04
Total		34,858.80	27,568.23
EXPENDITURE			
Raw Materials Consumed	11	24,054.44	20,429.88
Manufacturing and Other Expenses	12	5,435.64	6,211.53
(Increase)/Decrease in Stock of Finished Goods & WIP	13	1,562.13	(1,457.48)
Total		31,052.21	25,183.93
Profit before Interest and Depreciation		3,806.58	2384.29
Interest	14	528.70	545.71
Depreciation		1,356.77	1,297.65
Profit/(Loss) for the year before exceptional item		1,921.11	540.91
Less: Exceptional item	15	-	427.52
Profit/Loss for the year before minority interest and share in associate		1,921.11	113.40
Add: Share of Profit before exceptional income in associate		76.58	20.93
Profit/(Loss) for the year		1,997.69	134.33
Less: Tax Current year		327.00	13.32
Less : Deferred Tax expense		467.18	-
Less: Fringe Benefit Tax		-	17.30
Add : Write back		11.37	-
Profit/(Loss) for the year after Tax		1,214.88	103.71
Less: Transfer to Debenture Redemption Reserve		75.00	75.00
Less: Transferred to Capital Redemption Reserve		207.71	9.17
		932.17	19.54
Add: Balance brought forward		407.53	213.44
Less: Reduction in Loss carried forward on Account of Dis-investment in Associates		-	174.55
Balance carried to the Balance Sheet		1,339.70	407.53
Earnings per share - Basic & Diluted (Rs.) Face value of Rs.10			
Before Exceptional item		1.47	0.64
After Exceptional item		1.47	0.13

The Schedules referred above and notes in Schedule 17 form an integral part of this Profit and Loss Account and should be read in conjunction therewith

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
Firm No. 004137S

B H Kothari
Chairman & Managing Director

P S Gopalakrishnan
Director

Place : Chennai
Date : August 11, 2010

R. Prakash
Company Secretary

R Rajaram
Partner
M.No.25210

Consolidated Cash Flow Statement Annexed to the Balance Sheet for the year ended March 31, 2010

(Rs.in Lakhs)

	31-Mar-10	31-Mar-09
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) after extra-ordinary items	1,997.69	134.33
Adjustments for :		
Depreciation	1,356.77	1,297.67
Interest Received	(205.61)	(364.87)
Adjustments for Reserves	(118.14)	387.99
Dividend Income	(78.63)	(82.08)
Interest paid	528.70	545.71
Income from Mutual Fund	(223.51)	(11.22)
	<u>1259.59</u>	<u>1773.21</u>
Operating Profit before Working Capital changes	3,257.28	1,907.53
Trade Debtors and Other Receivables	(1,443.56)	474.01
Loans and Advances	1,705.21	(29.16)
Inventories	1,493.69	(1,267.21)
Trade Payables	(1,841.05)	(2,577.82)
	<u>(85.72)</u>	<u>(3,400.18)</u>
Cash Generation from Operations	3,171.56	(1,492.65)
Less: Direct Taxes paid	285.27	54.01
Net Cash Generation from Operating Activities - (A)	2,886.29	(1,546.66)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(679.42)	(1968.27)
Capital Work in Progress	(606.58)	53.90
Redemption of Investments	(2,521.16)	3320.97
Interest Received	205.61	364.87
Dividend Income	78.63	82.08
Purchase / (Sale) of Investments (Net)	223.51	11.22
Net Cash from investing activities - (B)	(3,299.43)	1,864.77
CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of Preference Share Capital	(100.00)	(100.03)
Secured Loans	(313.18)	(408.43)
Unsecured Loans	(827.03)	189.75
Interest	(528.70)	(545.71)
Net Cash used in Financing activities - (C)	(1,768.91)	(864.42)
Net Increase / (Decrease) in Cash and Cash equivalents - A+B+C	(2,182.05)	(546.32)
Cash and Cash equivalents at the beginning of the year	4,552.09	5,098.41
Cash and Cash equivalents at the close of the year	2,370.04	4,552.09
	<u>2,182.05</u>	<u>546.32</u>

For and on behalf of the Board

This the Cash Flow Statement referred to in our report of even date
for **R Subramanian and Company**

Chartered Accountants

Firm No. 004137S

B H Kothari
Chairman & Managing Director

P S Gopalakrishnan
Director

Place : Chennai
Date : August 11, 2010

R Prakash
Company Secretary

R Rajaram
Partner
M.No.25210

		(Rs.in Lakhs)	
Schedule forming part of the Consolidated Financials for the year ended March 31, 2010		As at	
		31-Mar-10	31-Mar-09
Schedule 1			
AUTHORISED SHARE CAPITAL			
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
	Total	<u>14,400.00</u>	<u>14,400.00</u>
ISSUED, SUBSCRIBED & PAID-UP			
Redemable Preference Shares Capital			
1,200,000	Zero Percent Redeemable Preference shares of Rs.100 each fully paid	1,200.00	1,200.00
	Less : Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	<u>225.00</u>	<u>150.00</u>
	Balance (a)	<u>975.00</u>	<u>1,050.00</u>
2,000,000	Zero Percent Redeemable Preference shares of Rs.10 each fully paid	200.00	200.00
	Less : amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	<u>50.00</u>	<u>25.00</u>
	Balance (b)	<u>150.00</u>	<u>175.00</u>
	Total (a+b)	<u>1,125.00</u>	<u>1,225.00</u>
EQUITY SHARE CAPITAL			
82,888,580	Equity Shares of Rs.10 each fully paid {Of the above Holding Co. holds 45,890,000 shares (PY 45,890,000)}	8,288.86	8,288.86
		<u>8,288.86</u>	<u>8,288.86</u>
	Total	<u>9,413.86</u>	<u>9,513.89</u>
Schedule 2			
RESERVES & SURPLUS			
	Capital redemption reserve	67.29	58.12
	Add : Additions during the year	<u>207.71</u>	<u>9.17</u>
		<u>275.00</u>	<u>67.29</u>
Debenture Redemption Reserve			
	As per last Balance Sheet	375.00	300.00
	Less : Adjustment	-	-
	Add: Additions during the year	<u>75.00</u>	<u>75.00</u>
		<u>450.00</u>	<u>375.00</u>
	Brought forward from Profit & Loss A/c	1,339.70	407.53
	Provision on Investment in Associate	<u>528.44</u>	<u>646.57</u>
		<u>2,593.15</u>	<u>1,496.39</u>

		(Rs.in Lakhs)	
		As at	
		31-Mar-10	31-Mar-09
Schedule 3			
SECURED LOANS			
Debentures			
20,31,018	Zero Coupon Bonds of Rs.100/- each redeemable at par from 4th (2007-2008) to 10th year (2013-2014) Less : Amount paid towards redemption in quarterly instalments as per AAIFR order dated 17.06.2004	2,031.02	2031.02
		<u>797.90</u>	<u>507.76</u>
		<u>1,233.12</u>	<u>1,523.26</u>
20,31,017	Zero Coupon Bonds of Rs.100/- each redeemable at par at the end of 25th year (2029-2030) [Ref.Schedule17(2)]	2,031.02	2031.02
	Total	<u>3,264.14</u>	<u>3,554.28</u>
Term Loans			
	From Banks {Refer schedule 17(3)(b)} Sugar Development Fund - Govt. of India {Refer schedule 17(3)(a)}	4,970.50	4,753.54
		<u>6,512.02</u>	<u>6,627.75</u>
	Total	<u>11,482.52</u>	<u>11,381.29</u>
Other Loans			
	Holding Company { Refer Schedule 17(3)(c)} Hire Purchase Loans (Secured against Vehicles)	1,319.78	1,437.09
		<u>6.68</u>	<u>13.62</u>
	Total	<u>1,326.45</u>	<u>1,450.71</u>
		<u>16,073.11</u>	<u>16,386.29</u>
Schedule 4			
UNSECURED LOANS			
Other Loans & Advances			
	Inter Corporate Loan {Refer Schedule 17 (3) (d)}	1,184.14	1,273.16
	Agriculture Loan & Irrigation Loan {Refer Schedule 17(3)(d)}	<u>195.94</u>	<u>933.95</u>
	Total	<u>1,380.08</u>	<u>2,207.11</u>

Schedule 5

FIXED ASSETS - Consolidated

(Rs.in Lakhs)

Description	Gross Block				Depreciation				Net Block	
	As at 01.04.09	Additions/ Adjustment	Deductions	As at 31.03.10	As at 01.04.09	For the Year	Deductions	As at 31.03.10	As at 31.03.10	As at 31.03.09
Land	361.67	0.67	-	362.34	-	-	-	-	362.34	361.67
Buildings	3,042.78	383.42	-	3,426.20	575.75	95.38	-	671.13	2,755.07	2,467.03
Plant & Machinery	26,705.64	302.03	-	27,007.67	9,573.21	1,238.03	-	10,811.24	16,196.43	17,132.43
Vehicles	125.70	-	22.61	103.10	57.79	14.79	9.28	63.30	39.80	67.91
Furniture & Fittings	187.29	6.63	-	193.93	82.51	8.57	-	91.08	102.84	104.79
Leased Vehicles	73.70	-	-	73.70	13.44	-	-	13.44	60.26	60.26
Sub Total	30,496.78	692.75	22.60	31,166.92	10,302.69	1,356.77	9.28	11,650.18	19,516.75	20,194.09
Capital WIP including advances *	639.56	1,121.95	515.38	1,246.13	-	-	-	-	1,246.13	639.56
Total	31,136.34	1,814.70	538.98	32,413.05	10,302.69	1,356.77	9.28	11,650.18	20,762.88	20,833.65
Previous Year	29,226.02	2,628.75	718.44	31,136.34	9,009.08	1,297.68	4.06	10,302.70	20,833.65	20,216.95

*Refer Schedule 16 (3)

(Rs.in Lakhs)
As at
31-Mar-10 31-Mar-09

**Schedule 6
INVESTMENT**

A. LONG TERM INVESTMENTS

Government Securities 0.06 0.06

Trade Investments

Equity Shares - Quoted

Associate 1,203.45 1,245.02

Others 219.21 182.03

Equity Shares/Mutual Funds/Unquoted 3,202.53 882.18

B. CURRENT INVESTMENTS

379.95 174.75

Less : Provision for Diminuation in Value of Investments (2.00) (2.00)

Total 5,003.20 2,482.04

Schedule 7

CURRENT ASSETS, LOANS AND ADVANCES

A. CURRENT ASSETS

a. Inventories

Raw Material stock 247.75 134.92

Stores and Spare Parts stock 455.09 499.96

Stock- in-trade :

Stock in transit 0.25 0.03

Sugar 2,774.36 3,867.65

Molasses 1,307.22 1,411.67

Industrial Alcohol 186.03 494.69

Work in process 160.87 216.33

Total 5,131.56 6,625.25

b. Sundry Debtors (Unsecured and considered good)

Outstanding for a period of more than six months 37.60 27.02

Other Debts 1,950.14 517.16

Total 1,987.74 544.18

c. Cash and Bank Balances

Cash on Hand 1.46 2.66

Cash in Transit - -

Balances with Scheduled Banks :

on Current Accounts 291.30 819.18

on Unclaimed Dividends / Debenture Redemption and fractional warrant accounts 4.11 4.12

on Deposit Accounts 2,069.40 3,723.45

[Includes Security pledged to Banks for margin Rs.266.30 Lakhs]

- Balances with Non-Scheduled Bank on Current Account (Thiruchirapalli District Central Co-operative Bank Ltd & Mandya Dist Co-op Bank, .) maximum amount outstanding at any time during the year Rs.239.98 lakhs. 3.77 2.68

Total 2,370.04 4,552.09

		(Rs.in Lakhs)	
		As at	
		31-Mar-10	31-Mar-09
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		639.17	1,438.95
Considered Doubtful		55.54	55.54
		<u>694.71</u>	<u>1,494.49</u>
Less : Provision for doubtful advances		55.54	55.54
		<u>639.17</u>	<u>1,438.96</u>
Advance payment of Income Tax & Tax Deducted at Source		961.34	815.75
Balance with Central Excise Authorities		54.81	215.12
Deposits		80.44	685.85
	Total	<u>1,735.77</u>	<u>3,155.67</u>
Schedule 8			
CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors		3,525.43	5,114.41
Bank Over Draft		175.74	175.74
Interest accrued but not due on loans		374.60	21.95
Investor Education and Protection Fund (not due)		4.12	4.12
Unclaimed Dividends / Debenture Redemption and fractional warrants			
Other Liabilities		2,496.71	2,870.24
	Total	<u>6,576.59</u>	<u>8,186.46</u>
PROVISIONS			
For Wealth Tax		0.35	1.32
For Income Tax		486.87	385.42
For Fringe Benefit Tax		-	19.00
	Total	<u>487.22</u>	<u>402.74</u>
Schedule 9			
SALES			
Sugar		25,144.57	20,900.84
Molasses		-	1,026.64
Bagasse		-	94.89
Industrial Alcohol		3,674.96	3,143.22
Electric Power		6,141.19	1,968.32
Others		94.03	121.56
	Total	<u>35,054.75</u>	<u>27,255.47</u>
Schedule 10			
OTHER INCOME			
Rent received		9.52	2.13
Interest income		205.61	364.87
Dividend		78.63	82.08
Profit on Sale of Investments		223.51	11.22
Subsidy on Export/Interest on Buffer stock		-	353.17
Provision Written Back		-	102.81
Prov for Diminution in Value of Short term Investments written back		40.04	490.54
Exchange Rate Fluctuation		-	66.83
Other Miscellaneous Income		162.77	163.39
	Total	<u>720.08</u>	<u>1,637.04</u>

	(Rs.in Lakhs)	
	31-Mar-10	31-Mar-09
Schedule 11		
MATERIAL CONSUMED		
Raw Material	23,146.97	19,364.94
Chemicals and Others	482.40	626.68
Others	425.07	438.26
Total	<u>24,054.44</u>	<u>20,429.88</u>
Schedule 12		
MANUFACTURING AND OTHER EXPENSES		
Salaries, Wages & Bonus	1,217.93	1,521.16
Managing Director Remuneration	53.76	53.76
Managing Director Commission	47.64	-
Employees' Welfare expenses	80.76	93.99
Contribution to Provident and other funds	169.64	102.43
Power & Fuel	188.86	755.45
Freight and Transport	166.36	98.27
Lease Rent	155.05	788.82
Rent	36.43	38.39
Rates & Taxes	86.24	42.96
Excise Duty-Expunged	455.56	473.23
Repairs & Maintenance - Buildings	447.86	157.08
Repairs & Maintenance - Machinery	1,476.19	1,250.19
Repairs & Maintenance - Others	78.30	58.35
Insurance	72.22	103.52
Directors' Sitting Fees	1.50	1.35
Directors' Travelling Expenses	43.01	32.17
Auditors' Remuneration	3.90	3.88
Research and Development expenses	4.56	3.88
Bank Charges	44.97	47.73
Conveyance - Local	15.73	14.88
Travelling other than Directors	66.49	80.33
Professional Fees	62.91	110.32
Commission	80.47	116.72

		(Rs.in Lakhs)	
		As at	
		31-Mar-10	31-Mar-09
Loss on Sale of Assets		3.67	1.15
Miscellaneous		28.58	25.82
Rebates & Discounts		101.01	-
Administration Expenses - Other		246.04	235.70
	Total	<u>5,435.64</u>	<u>6,211.53</u>
Schedule 13			
INCREASE/DECREASE IN STOCK			
<u>Opening Stock</u>			
Work in process		216.33	273.32
<u>Finished Stock :</u>			
Sugar		3,867.65	4,042.53
Molasses		1,411.94	180.60
Industrial Alcohol		494.69	36.68
		<u>5,990.61</u>	<u>4,533.13</u>
<u>Closing Stock</u>			
Work in process		160.87	216.33
<u>Finished Stock :</u>			
Sugar		2,774.36	3,867.65
Molasses		1,307.22	1,411.94
Industrial Alcohol		186.03	494.69
	Total	<u>4,428.48</u>	<u>5,990.61</u>
		<u>1,562.13</u>	<u>(1,457.48)</u>
Schedule 14			
INTEREST			
Term Loans		520.18	481.59
Other Loans		8.52	64.12
		<u>528.70</u>	<u>545.71</u>
Schedule 15			
Exceptional Item			
Interest payable under sales tax settlement scheme		-	577.73
Less : Principle waiver under Sales Tax settlement scheme		-	150.21
	Total	<u>0.00</u>	<u>427.52</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. 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 up to 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 in value other than 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 trade 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. 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 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 unavailed leave 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 income / expense".

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 likely 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 and 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. 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 31-03-2010 & KPL(Associate) as on 31-03-2010.

2. Debentures / Zero Coupon Bonds - Parent Company

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

3. Term Loans - Parent Company

- (a) Loan from Sugar Development Fund (Government of India) for modernization / expansion / Cogeneration amounting to Rs.6512.02 lacs (Previous year Rs. 6627.75 lacs) of which Rs.5758.20 lacs is secured by an exclusive second charge on all movable and immovable properties except book debts of the Company situated at Kattur, Tamilnadu and Rs.753.82 Lacs is secured by guarantee from Indian Bank.
- (b) Loan from Indian Bank of Rs. 4970.50 lacs (previous Rs. 4753.54 lacs) consists of the following.
 1. Loan for modernisation/expansion/Cogeneration amounting to Rs. 2035.66 Lacs (Previous year Rs. 2038.60 lacs) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.
 2. Medium Term Loan (Central Excise) of Rs. 2384.08 lacs (Previous year Rs. 2714.94 lacs) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.
 3. Short term loan Indian Bank of Rs.550.76 lacs (Previous year Rs. Nil) is secured by exclusive first charge on the whole of the Land, Buildings and Plant and Machinery and all movable properties (present & future) of the Sathamangalam Sugar & Cogeneration unit.
- (c) Loan from Holding Company is secured on the hypothecation of movable properties including movable Plant and Machinery and inventories situated at Kattur unit
- (d) Unsecured Loans except Agriculture and Irrigation loan are Interest free.

4. Capital Redemption Reserve :

A Sum of Rs. 207.71 lacs (Previous Year Rs. 9.17 lacs) has been appropriated towards the above reserve on redemption of Preference Shares as per AAIFR order dated 17-06-2004.

5. Employee Benefits :

Liability to existing employees of the company in respect of gratuity is covered under a common insurance policy in favour of Kothari sugars & chemicals gratuity trust. The cumulative liability of the employees is actuarially valued by the trust under projected unit credit method. Investments available for policy and contribution being effected are adequate to cover the liability of the employees.

The following table sets forth the status of the unavailed earned leave and Gratuity plan of the Company and the amounts recognized in the Balance sheet and Profit and Loss Account:

(a) Earned Leave

Disclosure Table – valuation as on 31.03.2010	Rs.000,s
Accrued Liability as at beginning of the period	664
Interest cost	-
Current Service Cost	29
Past Service Cost	-31
Curtailment Cost	-
Settlement Cost	-
Benefits Paid	-
Actuarial Gain / Loss	-
Accrued Liability as at the end of the period	662

(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	662
Fair value of the plan assets (zero as no fund is being maintained)	0
Liability to be recognized in the Balance Sheet	662
Expenses to be recognized in P/L Account	Rs. 000's
Interest cost	0
Current Service Cost	29
Past Service Cost	-31
Expected Return on Plan Assets	-
Curtailment cost (credit)	-
Settlement cost (Credit)	-
Net Actuarial (gain)/loss	-
Net Expenses to be recognized in P&L a/c	-2
Reconciliation	Rs. 000's
Net Liability as at the beginning of the period	664
Net expenses in P/L a/c	-2
Benefits paid	-
Net Liability as at the end of the period	662
Principal Actuarial Assumptions :	Rs. 000's
Interest Rate (Liabilities)	8.00%
Return on Assets	N.A.
Mortality Table	LIC(94-96)
Resignation Rate per annum	5%
Salary Escalation Rate	10%

(b) Gratuity

(Rs.in Lakhs)

Particulars	Gratuity Plan 2009-10
Projected benefit obligation at the beginning of the period	142.33
Current service cost	10.68
Interest cost	8.25
Actuarial loss / (gain)	68.53
Benefits paid	(18.74)
Projected benefit obligation at the end of the period	211.05
Amounts recognised in the balance sheet	
Projected benefit obligation at the end of the period	211.05
Fair value of plan assets at end of the period	172.19
Funded status of the plans-(asset)/liability	38.86
Liability recognized in the balance sheet	38.86
Cost for the period	
Current service cost	8.25
Interest cost	10.68
Expected return on plan assets	(12.17)
Net actuarial (gain)/loss recognized in the period	52.06
Past service cost	(19.95)
Net Cost recognized in Profit & Loss account.	38.86

6. Contingent Liabilities: -

6.1 Parent Company

- 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.
- Excise duty demands under appeal Rs 193.99 Lacs (Rs. 275.52 Lacs).
- Income Tax demands under appeal Rs.Nil (Rs. 178.64 Lacs)
- Claims against the company not acknowledged as debt amount to Rs Nil (Rs. 1.98 Lacs)
- Estimated amount of Contracts remaining to be executed on Capital Account & not provided for, amount to Rs.24.79 Lacs (Rs.28.51 Lacs).
- Urban Land Tax under appeal Rs. 34.13 Lacs.(previous year Rs.32.08 Lacs).
- Customs Duty under appeal Rs.73.39 Lacs. (Rs.73.39 Lacs).
- Other Contingent Liabilities:

(Rs. in lakhs)

Contingent Liabilities	31.03.2010	31.03.2009
Guarantees to banks on behalf of other companies	600.00	600.00
Bank Guarantees/ Letter of credit	1055.55	846.20
Corporate Guarantees to banks on behalf of farmers	Nil	634.00

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. Segment Disclosure

(a) Primary Segment Information

(Rs. in lakhs)

	Sugar		Power		Distillery		Eliminations		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
1.REVENUE										
External sales	24,313.42	24,534.67	6,143.55	-	3,681.76	1,432.62	-	-	34,138.73	25,967.29
Inter segmental revenue	4,164.05	157.66	4,023.92	-	0.07	-	(8,188.03)	(157.66)	-	-
Total revenue	28,477.47	24,692.33	10,167.46	-	3,681.83	1,432.62	(8,188.03)	(157.66)	34,138.73	25,967.29
2.RESULTS										
Segment results	959.88	84.51	3,076.60	-	(395.26)	1,223.80	-	-	3,641.22	1,308.31
Unallocated (Exp.)/Income	-	-	-	-	-	-	(0.48)	(1.39)	(1,743.16)	(731.28)
Interest expenses	(323.02)	(545.71)	(133.96)	-	(71.73)	-	-	-	(528.70)	(545.71)
Interest and dividend Income	-	-	-	-	-	-	-	-	551.76	82.08
Profit/(loss)	636.86	(461.20)	2,942.65	-	(466.99)	1,223.80	(0.48)	(1.39)	1,921.11	113.40
3.OTHER INFORMATION										
Segment Assets	15,665.91	20,802.64	9,298.77	8,122.11	6,966.85	6,682.70	-	-	31,931.53	35,607.44
Unallocated assets	-	-	-	-	-	-	5,059.66	2,585.44	5,059.66	2,585.44
Total Assets	15,665.91	20,802.64	9,298.77	8,122.11	6,966.85	6,682.70	5,059.66	2,585.44	36,991.19	38,192.88
Segment Liabilities	13,203.73	17,659.22	6,148.44	4,165.82	5,632.00	5,357.60	-	-	24,589.98	26,788.75
Unallocated Liabilities	-	-	-	-	-	-	394.19	393.88	394.19	393.88
Total Liabilities	13,203.73	17,659.22	6,148.44	4,165.82	5,632.00	5,357.60	394.19	393.88	24,984.17	27,182.63
Capital Expenditure	220.69	489.21	450.79	-	-	1,456.66	21.27	29.40	692.75	1,975.27
Depreciation	443.32	1,075.86	664.43	-	218.89	195.41	30.12	26.40	1,356.76	1,297.67
Noncash expenses	-	-	-	-	-	-	-	-	-	-
Other than depreciation	-	-	-	-	-	-	-	-	-	-

(Rs. in lakhs)

(b). Secondary Segment Information	2009-10		2008-09	
	Particulars	India	Rest of the World	India
1. Revenue by Geographical Market	34,138.73	-	25,967.29	-
2. Carrying amount of Segment Assets	31,931.53	-	35,607.44	-
3. Additions to Fixed / Intangible Assets	692.75	-	1,975.27	-

(a) Notes Relating to Segment

i) Business Segments

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

Sugar, Power generation and Distillery.

Sugar segment comprises of sugar and molasses, Power segment comprise generation of power from bagasse and coal and 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:

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

Sl. No.	Description of Related Party	Name of Related Party
1.	Holding Company	Parvathi Trading & Finance Co Pvt. Limited
2.	Key Management Personnel	Mr.B.H.Kothari
3.	Subsidiary Company	Kothari International Trading Limited
4.	Entities having significant influence	(i) Kothari Bio Tech Limited (ii) Kothari Safe Deposit Limited (iii) Kothari Petrochemicals Limited (iv) Century Foods Pvt. Limited

(b) Transactions with Related Parties

(Rs. in Lakhs)

Companies	Holding		Subsidiaries		Entities having Significant Influence		Key Personnel	
	09-10	08-09	09-10	08-09	09-10	08-09	09-10	08-09
Particulars								
Rent	-	-	-	-	31.85	27.46	-	-
Interest	-	-	-	-	-	4.04	-	-
Expenses reimbursed	-	-	-	-	64.05	-	-	-
Purchases (PIB/scrap)	-	-	-	-	1.48	-	-	-
Remuneration	-	-	-	-	-	-	53.76	53.76
Commission to CMD	-	-	-	-	-	-	47.64	-
Loan Given	-	-	-	-	38.94	146.59	-	-
Loan Taken	-	-	-	-	109.68	70.00	-	-
Outstanding balances as at 31.3.2010								
Loans and Advances	-	-	55.51	55.17	22.58	9.96	-	-
Secured Loans	1,319.78	1,437.09	-	-	-	-	-	-
Loans	2,243.75	2,410.89	-	-	-	-	-	-
Investment	-	-	99.98	99.98	1,201.90	1,201.90	-	-
Share Capital	4,815.98	5,006.35	-	-	-	-	-	-

9. Earnings per Share

Particulars	2009-10	2008-09
Net Profit after Tax and Exceptional Item (Rs. in lacs)	1214.88	103.70
No. of Equity Shares of Rs. 10/- each	82888580	82888580
Earning per Share (Basic & Diluted) (Rs.)	1.46	0.13

10. Provisions for Taxation
Deferred Tax:

To comply with the Accounting Standard 22 accounting for taxes on income the Company estimates the deferred tax charge/(credit) using the substantially enacted tax rate applicable rate of taxation based on the impact of timing of timing differences between financial statements and estimated taxable income for the current year. As a prudent measures deferred tax assets has not been recognised in the subsidiary

(Rs. in Lakhs)

Deferred Tax Liability / (Asset)	Balances as at	Charge /(Credit)	Balances as at
	1st April 2009	Year ended March 31, 2010	Year ended March 31, 2010
Depreciation	-	2,916.19	2,916.19
Sec. 43B Disallowances	-	19.44	19.44
Business Loss	-	(2,061.78)	(2,061.78)
Purchase tax & Sales tax	-	(406.67)	(406.67)
Deferred Tax Liability (Net)	-	467.18	467.18

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. The Company has surrendered the lease and necessary formalities have been completed and the effects of annulment of lease are reflected in the financial statements.

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	6.91 (PY 7.68)	6.59 (P.Y. 7.33)
Later Than One Year but not later than Five years	Nil (PY 6.91)	Nil (P.Y.6.59)
Later Than Five years	-	-

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

(Rs.in Lakhs)

Details of Subsidiary Companies Financial Year	Kothari International Trading Ltd.	
	2009-10	2008-09
Share Capital	100.00	100.00
Reserves & Surplus	-	-
Total Liabilities	449.38	449.08
Total Assets	549.38	549.08
Total Income (Including Other Income)	-	-
Profit/(Loss) Before Tax	(0.48)	(1.39)
Provision for Tax	-	-
Profit/(Loss) After Tax	(0.48)	(1.39)
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	15,500
Total Liabilities=Loan Funds + Current Liabilities	-	-

14. Previous year figures have been regrouped and rearranged wherever necessary to confirm to the classification for the year.

For and on behalf of the Board

for **R.Subramanian and Company**
Chartered Accountants
Firm No. 004137S

B H Kothari
Chairman & Managing Director

P S Gopalakrishnan
Director

Place : Chennai
Date : August 11, 2010

R Prakash
Company Secretary

R Rajaram
Partner
M.No.25210



KOTHARI SUGARS AND CHEMICALS LIMITED

PROXY FORM

Folio No.:

* Client ID No.:

(* in case of dematerialized shares)

I / We ofin 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. ofin the district of as my / our proxy to attend and vote for me / us on my / our behalf at the 49th Annual General Meeting of the Company to be held on Tuesday, the 21st September 2010, at 10.30 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 2010

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

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 49th Annual General Meeting

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

Date : Tuesday, 21st September, 2010

Time : 10.30 A.M.

REQUEST TO MEMBERS

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 / Client ID Numbr is duly mentioned in this form.