

CORPORATE INFORMATION

Board of Directors	:	B.H.Kothari - Chairman & Managing Director Dr. P. S. Mani Sundaram P. S. Gopalakrishnan V. R. Deenadayalu
Company Secretary	:	R.Prakash
Statutory Auditors'	:	R. Subramanian and Company Chartered Accountants, No.6, Krishnaswamy Avenue Luz, Mylapore Chennai - 600 004.
Internal Auditors	:	(a) K.R.Sarangapani & Co. Chartered Accountants, No. 28/1, Anjuham Nagar, 1 st Street, Jafferkhanpet, Chennai - 600 083 (b) V.P.Mukundan & Associates Chartered Accountants, No. 233/1, Kutchery Road, Mylapore, Chennai - 600 004
Cost Auditor	:	K.Suryanarayanan Flat A, Brindhavan Apartments, No.1, Poes Road, 4 th Street, Teynampet, Chennai - 600 018
Legal Advisors	:	S.Ramasubramanian & Associates Advocates, No.6/1, Bishop Wallers Avenue (West) Mylapore, Chennai - 600 004
Registered Office	:	"Kothari Buildings" No.115, Mahatma Gandhi Salai Nungambakkam, Chennai - 600 034 Phone No. 044 - 30281595 / 30225507 Fax No. 044 - 28334560
Registrar & Share Transfer Agents	:	M/s. Cameo Corporate Services Limited, Subramanian Buildings, 5th Floor, No.1, Club House Road, Chennai - 600 002 Phone No.044 - 28460390 to 28460394 Fax No. 044 - 28460129 e-mail: investor@cameoindia.com
Listing	:	The National Stock Exchange of India Limited (NSE), Mumbai
Stock Code	:	KOTARISUG
ISIN No.	:	INE419A01022
Manufacturing Units	:	Kattur Kattur Railway Station Road, Lalgudi Taluk, Trichy District, Tamil Nadu - 621 706 Sathamangalam Sathamangalam Village, Vetriyur Post, Keezhapalur, Ariyalur Taluk, Perambalur District, Tamil Nadu - 621 707

Contents

	Page No.
Notice	4
Directors' Report	8
Management Discussion and Analysis	12
Corporate Governance Report	14
Auditors' Report	21
Balance Sheet	24
Statement of Profit and Loss	25
Cash Flow Statement	26
Notes forming part of the Financial Statements	27
Consolidated Financial Statements & Notes thereon	47
Attendance Slip / Form of Proxy	End of the Report

Financial Highlights

(₹. In lakhs)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Profitability items					
Gross Income	27,568	34,859	28,115	32,684	44,091
Gross Profit (PBDIT)	1,959	3,807	3,273	3,662	4,133
Depreciation	1,298	1,357	1,379	1,315	1,689
Profit Before Interest & Tax	661	2,451	1,894	2,347	2,444
Interest	546	529	648	467	529
Profit Before Tax	115	1,922	1,246	1,880	1,915
Income Tax	31	316	235	374	367
Deferred Tax	-	467	253	664	687
Profit After Tax	84	1,139	757	841	861
Balance Sheet Items					
Net Fixed Assets (incl. CWIP)	20,834	20,763	19,919	20,764	22,736
Investments	1,260	3,823	3,200	656	838
Net Current Assets	6,273	4,146	4,984	4,427	4,030
Total Capital Employed	28,367	28,732	26,124	26,098	27,604
Shareholders Funds	9,956	10,995	11,652	12,393	13,155
Others					
Book Value per share (Rs.)	12	13	14	15	16
EPS (Rs.)	0.10	1.37	0.91	1.01	1.04

NOTICE to the Members

Notice is hereby given that the 52nd Annual General Meeting of Kothari Sugars & Chemicals Limited will be held on Friday, 6th September 2013 at 10.15 A.M. at The Music Academy, Mini Hall, Old No.306, New No.168, T.T.K. Road, Chennai - 600 014 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2013 and the Statement of Profit & Loss for the financial year ended on that date along with Auditors' and Directors' Report thereon.
2. To appoint a Director in the place of Mr.V.R.Deenadayalu, 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 M/s.R.Subramanian and Company, Chartered Accountants, Chennai, the retiring Auditors be and are hereby re-appointed as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company at remuneration to be fixed by the Board of Directors".

Special Business

4. Re-appointment of Mr.B.H.Kothari, as Chairman and Managing Director

To consider and if thought fit to pass with or without modification the following resolution as Special Resolution.

"Resolved that pursuant to provision of Section 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 as amended or re-enacted from time to time, read with Schedule XIII of the Companies Act, 1956 and in supersession of earlier resolution passed, the Company hereby approves the re-appointment of Mr.B.H.Kothari as Chairman and Managing Director of the Company for a period of 5 years from October 01, 2013 to September 30, 2018, who shall not be liable to retire by rotation and upon the terms and conditions as set out below including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of directors to alter and vary the terms and conditions of the said appointment in terms of Schedule XIII of the Companies Act, 1956."

- a) Salary:

Rs.4,00,000/- (Rupees Four Lacs Only) per month.

- b) Perquisites:

- i. Perquisites like use of car with driver, personal accident insurance, medical insurance, leave travel concession and other benefits will be provided in accordance with the rules of the Company.
- ii. Use of Telephone at residence for Company's purpose.
- iii. Leave Encashment as per the company's policy from time to time.
- iv. The perquisites will be evaluated as per Income Tax Rules, wherever applicable and in other cases at actual cost to the Company.

- c) Contribution to Funds:

Company's Contribution to Provident Fund and Super Annuation Fund to the extent these singly or put together are not taxable under the Income Tax Act, 1961 and gratuity at the rate not exceeding 15 days salary for every completed year of service.

"**Resolved further that** Mr. B.H.Kothari, Chairman and Managing Director shall be paid in addition to the salary, commission @ 4% of the net profits, subject to the condition that the overall remuneration payable to him including commission shall not exceed 5% of the net profits of the Company for the financial year computed in the manner prescribed under Companies Act, 1956 during the currency of his tenure as Managing Director."

“Resolved further that in the event of there being inadequacy or absence of profits in any financial year during the currency of the tenure of the Managing Director, the above remuneration (consisting of Salary as per (a) and Perquisites as per (b) (ii) & (iii) and (c) above) shall be treated as minimum remuneration in accordance with Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time and shall be paid to him.”

“Resolved further that the Board of Directors of the company be and is hereby authorized to alter or vary the terms and conditions of said remuneration from time to time so long as it does not exceed the limits specified in Section 198 and 309 of the Companies Act, 1956 or any modification or re-enactments thereof, for the time being in force and also to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to the resolution.”

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

R Prakash
Company Secretary

Place: Chennai

Date: July 26, 2013

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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DULY FILLED, STAMPED, SIGNED AND 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. THE PROXY SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL.
2. Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the meeting.
3. Members or Proxies are requested to bring the attendance slips duly filled in along with their copies of Annual Reports to the meeting and members holding shares in Demat form are requested to bring in their details of DP ID and Client ID for ease of identification and recording of attendance at the meeting.
4. The terms set out in the resolution may be treated as an abstract of the terms of the contract between the Company and Mr.B.H.Kothari, Chairman & Managing Director pursuant to Section 302 of the Companies Act, 1956.
5. Share Transfer books and Register of Members will remain closed from Thursday, 29th August, 2013 to Friday, 6th September, 2013, (both days inclusive).
6. Members holding shares in dematerialized form are requested to intimate any change in their address, bank details, 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.
7. Members who are still holding shares in physical form are advised to dematerialize their shareholding to avail the benefits of easy liquidity, electronic transfer, savings in stamp duty, prevention of forgery, etc.
8. The Annual report of the Company for the year 2012-13, circulated to the Members of the Company, will be made available on the Company's website viz. www.hckotharigroup.com/kscl
9. The Company has designated an exclusive e-mail id viz. secdept@hckgroup.com to enable investors to register their complaints / queries, if any.
10. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the RTA in the following cases viz. Transfer of Shares, Deletion of Name, Transmission of Shares and Transposition of Shares. Shareholders are requested to furnish copy of PAN card for all the abovementioned transactions.
11. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to the Director seeking re-appointment / appointment at the forthcoming Annual General Meeting is appended below.
12. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under item No.4 above, is annexed hereto.

ANNEXURE TO THE NOTICE

THE INFORMATION IN RESPECT OF ITEM NOS.2 & 4 IN ACCORDANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT FOR CORPORATE GOVERNANCE ABOUT THE DIRECTOR SEEKING RE-APPOINTMENT IN THIS ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER

Particulars	Item No.2	Item No.4
Name of the Director	Mr.V.R.Deenadayalu	Mr.B.H.Kothari
Date of Birth	24.05.1932	11.11.1961
Date of Appointment	27.04.2009	01.07.1982
Qualification	B.E. Mechanical Engineering	B.Com.,
Experience in specific functional areas	<p>He was the Chief Executive of BHEL, Trichy for over 8 years and was the Chairman & Managing Director of Madras Refineries Limited. He was the recipient of Sir Jahangir Gandhi medal for Industrial peace instituted by XLRI, Jamshedpur. He was the Chairman of Bharathidasan Institute of Management, Trichy and a member of the Board of Governors, of XIME-Bangalore, Institute of Energy-Trichy and Xavier Institute of Management, Bhubaneshwar</p>	<p>Mr. B.H. Kothari is the Chairman and Managing Director of the H.C.Kothari Group of Companies, a respected conglomerate founded many decades back. He has more than 30 years of experience in administration and management in the Petrochemical, Sugar and Financial Services industries.</p> <p>Mr.B.H.Kothari has, in the past, held the positions of President of Hindustan Chamber of Commerce, Chennai. He was the president of The South Indian Sugar Mills Association (SISMA), Indian Sugar Mills Association (ISMA) and Chairman, Consultative Committee of City Chambers of Commerce.</p> <p>Currently Mr.B.H.Kothari is the Honorary Consul for Austria in Chennai.</p> <p>Mr.B.H.Kothari is also actively involved in many charitable, educational and social service organizations viz., Shree Vallabhacharya Vidya Sabha, Institute of Financial Management & Research (IFMR), Shankar Netralayaya besides being a Trustee in various charitable institutions.</p>
List of other Companies in which Directorship held	Nil	1. Kothari Petrochemicals Limited 2. Kothari Safe Deposits Limited 3. Gayathri Securities Limited
Chairman / Member of the Committee of the Board of Director of the Company	Member - Audit Committee Member - Remuneration Committee	Share Transfers cum Shareholders Grievances Committee - Member.
Chairman / Member of the Committee of the other companies in which he is a Director	Nil	Kothari Petrochemicals Limited – Share Transfers cum Shareholders Grievances Committee – Member. Kothari Safe Deposits Limited – Share Transfer cum Shareholders Grievances Committee –Chairman
Number of Equity Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2013	Nil	1,72,961

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

Place: Chennai
Date: July 26, 2013

R Prakash
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No.4**

Mr.B.H.Kothari has been re-appointed as the Chairman & Managing Director of the Company for a period of 5 (five) years with effect from October 01, 2013 to September 30, 2018 subject to the shareholders approval.

B.H. Kothari joined the company as a Director in 1982 and became Managing Director in 1986. He has successfully steered the company after it was referred to the BIFR and turning it into a profit making company. He has also been instrumental in the expansion of the activities of the company by setting a second plant at Sathamangalam.

The terms of remuneration were considered and approved by the Remuneration Committee after taking into account the financial position of the company, trend in the sugar and chemical industry, appointee's qualification, experience, past performance and remuneration and then placed before the Board of Directors with the terms of details provided in the relevant resolution.

The Board of Directors of the Company at its meeting held on 26th July, 2013 conveyed its approval subject to the shareholders passing a Special Resolution for the above.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by email to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of Electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with M/s.Cameo Corporate Services Limited, whose address is given elsewhere in this Annual Report.

DIRECTORS' REPORT

To the Members

The Directors present the 52nd Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2013.

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

(₹. in Lakhs)

Description	2012-13	2011-12
Profit before Interest and Depreciation	4,133.27	3,661.63
Interest	528.74	467.03
Depreciation	1,689.21	1,315.07
Profit Before Tax	1,915.32	1,879.53
Tax Adjustments including Deferred Tax	1,054.00	1,038.22
Profit after Tax	861.32	841.31
Transfer to Debenture Redemption Reserve	75.00	75.00
Transfer to Capital Redemption Reserve	100.00	100.00
Profit after Appropriation	686.32	666.31

Your Directors are pleased to report that the Company has made a profit after tax of Rs.861.32 Lakhs.

Operations and Performance

Performance

The Gross total income for the financial year ended 2012-13 was Rs.44,090.82 lacs as compared to Rs.32,684.11 lacs during the financial year 2011-12. There was overall increase in sale of sugar which includes export sales as well as domestic sales due to sustained demand. However, the net profit has not shown an appreciable increase due to various factors like drop in recovery percentage, increase in cane price and lower export of power. The profit after tax was Rs.861.32 lacs for the financial year ended 2012-13 compared to Rs.841.31 lacs during the financial year 2011-12. Division-wise performance of the company is given below:

a. Sugar

Though the sugar price remained stable through out the year, due to lower recovery and high input costs, the profit did not increase substantially.

Kattur Unit: The plant at Kattur had crushed 6,04,644 Metric Ton (MTs) of sugarcane with an average recovery of 9.01% during 2012-13 as against 5,78,025 MTs during 2011-12 with an average recovery rate of 9.35%.

Sathamangalam Unit: The Plant at Sathamangalam unit had crushed 7,03,911 MTs of sugarcane with an average recovery of 8.83% in 2012-13 as against 5,04,729 MTs in 2011-12 with an average recovery rate of 9.25%.

The increase in cane crushing is mainly due to availability of sugar cane leading to higher production of Sugar, Bagasse & Molasses which impacted the value chain positively. Despite the increase in crushing activity the recovery of sugar has declined due to failure of monsoon and power cuts. The cane price paid to the farmers for the year was Rs.2,250 per MT as fixed by Government of Tamilnadu for the sugar season 2012-13 commencing from October 1, 2012. In addition to the cane price we have also been paying transport subsidy to the farmers for transporting cane from the fields to the factory.

Your company had taken various measures to improve the quality of sugar cane and recovery which included chip bud plantation techniques, drip irrigation, mechanisation of cane harvesting, through cane harvester and continuously imparting training to the farmers so that both the farmers and the company would benefit.

Modernisation of Kattur and Sathamangalam Sugar units:

Modernisation works were completed as planned in both the units and the equipments were put into operation from December 2012 in Kattur and from January 2013 in Sathamangalam. The performance of the equipments has been good and therefore we could achieve considerable reduction in the thermal and electrical energy consumption in both the units.

b. Co-generation

Power exported during the financial year 2012-13 at Kattur unit was 12,779 Mwh (Mega Watt Hour) as against 11,369 Mwh during 2011-12 and in Sathamangalam unit power exported during 2012-13 was 53,653 Mwh as against 56,720 Mwh during 2011-12. Due to steep increase in cost of imported coal and lower rate per unit offered by TNEB the coal based power generation was not continued. This resulted in lower power generation as compared to the previous year.

c. Distillery

Alcohol production during the financial year 2012-13 was 19,486 KLS (Kilo Litres) as against 18,347 KLS in 2011-12. The demand for alcohol by the IMFL (Indian Made Foreign Liquor) units in the State remained high. Despite high fluctuation in molasses prices, the systematic planning of our team helped us to procure good molasses at very competitive prices. Similarly, improved marketing strategy for sale of ENA has also helped us in getting better average realisation.

Dividend

The Directors do not recommend dividend for this year.

BIFR's Status:

Your company continues to be under BIFR/AAIFR on account of appeal pending before AAIFR to determine the cut off date of the sanctioned scheme which was challenged by the Sales Tax Department of Tamilnadu and the appeal is pending for final disposal.

Directors

Mr.V.R.Deenadayalu, 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

Mr.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 Audit

Pursuant to section 233B of the Companies Act, 1956, Mr.K.Suryanarayanan, a Practising Cost Accountant, was re-appointed as Cost Auditor for the year 2013 - 2014.

Filing of Cost Audit Report	2012 - 2013	2011 - 2012
Due Date	27.09.2013	28.02.2013
Actual Date	(Target) 25.09.2013	28.01.2013
Cost Auditor Details	Mr.K.Suryanarayanan, M.No.24946, Chennai	Mr.K.Suryanarayanan, M.No.24946, Chennai
Audit Qualification in Report	Nil	Nil

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

During the year no employee has drawn salary in excess of the amount prescribed under provision of sub-section (2A) of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

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

Subsidiary Companies

Pursuant to Ministry of Corporate Affairs (MCA) General Circular No.2/2011 dated 8th February, 2011 the accounts of the subsidiary company need not be attached along with the accounts of the holding company as required by Section 212 of the Companies Act, 1956 upon fulfilling certain conditions stipulated in the said circular. Therefore, Annual Accounts of the Subsidiary Company M/s.Kothari International Trading Limited for the year ended 31st March 2013 is not attached herewith.

The Annual Accounts of M/s. Kothari International Trading Limited, subsidiary of your company is kept at the registered office for inspection of members during working hours and the same is also 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 and Chemicals Limited**

Place: Chennai
Date: July 26, 2013

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

Annexure - I

Sl. No.	Particulars	Kattur				Sathamangalam	
		Sugar & Co-gen		Distillery		Sugar & co-gen	
1	Electricity	2012-13	2011-12	2012- 13	2011- 12	2012-13	2011-12
	a. Purchased Unit	28,16,100	32,26,373	4,72,927	6,88,858	6,85,017	8,82,900
	Total Amount Paid (Rs.)	2,52,90,290	2,12,02,738	37,38,562	42,68,477	64,66,494	59,51,526
	Rate per unit (Rs.)	Rs.8.98/unit	Rs.6.57/unit	Rs.7.91/unit	Rs.6.20/unit	Rs.9.44/unit	Rs.6.74/unit
	b. Own Generation through Diesel						
	Generator Unit in KWH	39,248	36,464	NIL	NIL	3,392	3580
	Unit per Litre of Diesel	2.20	2.40	NIL	NIL	2.89	3.05
	Cost per Unit (Rs.)	20.46	18.75	NIL	NIL	16.28	14.62
	c. Power generated through Steam turbine Unit in KWH	3,76,69,800	3,65,23,300	NIL	NIL	8,14,91,000	7,92,73,000
	Unit per ton of fuel	237	239	NA	NA	392	428
Cost per unit (Rs.)	4.80	4.57	NA	NA	3.48	3.61	
2.	Coal (specify quantity and where used)						
	Quantity (tonnes)	NA	NA	NA	NA	316	14042
	Total cost (Rs.)	NA	NA	NA	NA	18,09,315	7,15,51,384
	Average Rate (Rs.)	NA	NA	NA	NA	5,726	5095
3.	Fuel Oil						
	Quantity (tonnes/kilo liters)	NA	NA	22.38	125.18	NA	NA
	Total Cost (Rs.)	NA	NA	10,64,337	55,00,189	NA	NA
	Average Rate/ litre (Rs.)	NA	NA	47.56	43.94	NA	NA
4.	Natural Gas						
	Quantity M ³	NA	NA	NA	NA	NA	NA
	Total Cost (in Rs.)	NA	NA	NA	NA	NA	NA
	Average Rate per M3 (Rs.)	NA	NA	NA	NA	NA	NA
5.	CONSUMPTION PER UNIT OF PRODUCTION						
	Total in-house consumption (unit)	1,94,61,458	2,00,13,546	46,80,638	47,01,227	17,705,547	1,35,15,243
	Products (Sugars & Alcohol)	5,45,070 Qtl.	5,37,970 Qtl.	1,94,85,920 Liters	1,83,47,455 Litres	6,21,800 Qtl.	4,64,230 Qtl.
	Electricity (Unit per quintal)	35.70 units/ Quintal	37.20 units/ Quintal	0.2402 Units/Litres	0.2562 Units/Litres	28.47 Units/ Quintal	29.11 Units/ Quintal

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):

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

Cane Highlights

Technologies like subsurface drip irrigation, wider row planting in 6ft spacing and transplanting of chip bud seedlings under sustainable sugarcane initiative have been continually implemented to improve the average cane yield per unit area. Satellite mapping of entire command area is taken up to have scientific assessment of land type, soil type, spatial distribution crops and underground water potential.

New initiatives:

Solar water pump was installed and commissioned at Arungal farm in the Sathamangalam unit for irrigation use. Lift irrigation scheme under Co-operative model is being implemented in both Kattur and Sathamangalam units in order to improve the cane plantation.

Technology absorption, adoption and innovation: Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

₹. in Lakhs

S.No.	Particulars	2012 - 13	2011 - 12
(i)	Total Foreign Exchange earned	1331.24	2561.79
(ii)	Total Foreign Exchange outflow	25.44	25.36

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Industry Performance

The sugar production is estimated to be 24.60 lakhs tonnes for 2012-13 season against 26.30 lakhs tonnes for the season 2011-12.

With high sugarcane price being paid by the sugar mills due to high State Advisory Price (SAPs) fixed by States the cost of production will be high during 2012-13 sugar season. Though operating profits from by-products has supported and improved overall margins to some extent, the profitability is low due to non-availability of cane and lower yield.

It is heartening that the long pending demand of the sugar industry for decontrol was partially conceded by the Central Government through its announcement made during Apr'13 which includes the decision to remove the levy obligation and the scrapping of the regulated release mechanism of non-levy sugar. The other key recommendations of Rangarajan Committee like decontrol of sugarcane command area, minimum distance criterion and sugarcane pricing have been left to the respective State Governments to decide.

Indian Industry Outlook 2013 - 14

Sugarcane costs (which constitutes over 70% of a sugar mill's total cost) will see further increase in 2013-14 Sugar Year. For the mills based in Tamil Nadu which adopt SAP, sugarcane cost has increased by INR Rs.250 per MT for the season 2012-13. A rise in the cost of sugar production and consequent decline in sugar margins will result in lower operating margins for sugar mills across the country. In 2012, cash flows from by-products had cushioned the stressed margins from sugar operations. However, such support from by-products alone will not be sufficient in 2013. Also, gains from exports that accrued to some mills in 2012 are unlikely in 2013, given the depressed global prices. Squeezed between high production cost and lower realisation, sugar mills' margins are likely to remain under stress and the operating margins of sugar companies in 2013 are likely to be below the 2012 levels, as sugar margins and the overall profitability are expected to come down despite the recent favourable measures taken by Central Government by removing the levy obligation.

Above all, the entire South India is affected due to failure of monsoon which resulted in severe drought in most parts of Tamilnadu. Our units which are situated in Tamilnadu will also be facing severe drought conditions which may affect cane availability besides adversely affecting sugar cane recovery.

World Sugar Industry scenario

The global sugar market is likely to enter into its third consecutive year of surplus in 2013. While production has gone up for major exporting countries such as Brazil (+7% yoy) the world's largest sugar producer, Australia (+18% yoy) and Mexico (+16% yoy), higher production and higher yield in major importers such as China (+18% yoy) has reduced the demand from the exporters. Lower production in India (-16% yoy) the world's second largest sugar producer has to some extent prevented the glut.

The International Sugar Organisation forecasts that 2013 global sugar supplies shall exceed demand by nearly 6 MT. A continued global surplus will result in a further build-up of global inventories following the 2009 and 2010

supply deficits. Ethanol could become more attractive than sugar in 2013. This is in view of the expected lowering in world market sugar prices in 2013 coupled with a growing demand for ethanol in Brazil (led by a possible gasoline price hike by the Brazilian Government 2013) and a likely increase in blending.

Strength:

Strong operational and technical team and high level maintenance, ensured that downtime in the plant was very less.

Weakness:

Command area available for the sugarcane cultivation for both the units is not optimal.

Opportunities

Demand for Sugar, Power and Alcohol are on the increasing trend.

Threats

Factors causing concern to the industry are raw material availability, the international crude oil prices, (which will determine the Raw Sugar, Ethanol mix in Brazil, the world's largest producer) the Government of India's various policies on exports of sugar and import duties and finally the agro-climatic conditions, which is key for agro based industry.

Out look

While Cane price is expected to increase compared to previous year, the sugar price will be the key factor for the profitability of forthcoming financial years. Agro climatic conditions will still play a key role which is totally unpredictable. As on date, the Government of India's policies regarding exports and import duties is helping to some extent but there is still a long way to go. As in the past, Distillery and Co-generation divisions will play a vital supportive role for improving the profitability of the coming years too. With all the pros and cons, we are expecting the financial year 2013-14 to be more or less the same as financial Year 2012-13.

Risks and concerns**Raw Material Risk**

Sugarcane costs have already increased around 16 to 17 percent over 2012-13 season, may increase further particularly for mills based in Tamilnadu. Heavy drought all over the Central South States of the country in general and Tamilnadu in particular, would result in lower capacity use, and lower fixed cost absorption in 2012-13 sugar season.

Risk Mitigation:-

We are encouraging farmers to go for drip irrigation by way of arranging loans from Banks, referring good drip irrigation equipment suppliers, and recommending right Sugar Cane varieties to improve the yield. Lift irrigation schemes are also being implemented.

Competitive risk

Some of the existing Sugar Mills in Tamilnadu have commissioned new units/upgraded their facilities which may put indirect pressure on cane availability.

Risk Mitigation:-

The Company maintains very good relationship and also in constant touch with the farmers.

Internal Control Systems and their adequacy

The Company has established a system of internal control across all of its business operations and safeguarding 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 Industrial relations remained cordial at all level and the employees have demonstrated dedication and high degree of commitment in achieving the company's goals. During the year, employees attended series of training sessions on technical and soft skills as part of Employee Development program. Special onsite program and In house training programme were conducted on safety.

During the year, the industrial relations have been conducive and mutually productive. Total number of employees as on 31st March 2013 was 603 in respect of sugar and allied operations.

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

Place: Chennai
Date: July 26, 2013

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 Corporate Governance Philosophy

Kothari Sugars and Chemicals Limited believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term values while safeguarding the interest of all the stakeholders. It is this conviction that has led the Company to make strong Corporate Governance values intrinsic in all its operations. The Company is led by a distinguished Board, which includes Independent Directors. The Board provides a strong oversight and strategic counsel. The company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide the management, the strategic direction it needs.

In terms of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details of compliances, for the year ended March 31, 2013, are as follows:

2) Board of Directors

The present strength of the Board is four, headed by the Chairman & Managing Director, Mr. B.H.Kothari. Except Mr.B.H.Kothari all others are Non-Executive 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 public companies in which he is a Director. Necessary disclosure regarding Committee positions in other companies as on 31 March 2013 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 2012-13 are furnished in the following table.

Company's Board of Directors details as on March 31, 2013

Name of the Director	Category	No. of Board Meetings attended	Attendance at previous AGM held on September 25, 2012	No. of Directorship in other public Companies	No. of Committee positions (as Chairman / Member) held in other public Companies		No. of equity shares
					Chairman	Member	
Mr.B.H.Kothari	CMD	05	Present	03	01	01	1,72,961
Mr.P.S.Gopalakrishnan	INED	05	Present	03	Nil	02	Nil
Mr.V.R.Deenadayalu	INED	05	Present	Nil	Nil	Nil	Nil
Dr.P.S.Mani Sundaram	INED	05	Present	Nil	Nil	Nil	Nil

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

Board Meetings held during the financial year 2012-2013

Board Meetings				
May 14, 2012	August 03, 2012	September 25, 2012	November 07, 2012	February 09, 2013

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 is as follows:

Sl. No.	Name of the Member	Category	Meeting participated
01.	Mr.P.S.Gopalakrishnan	Chairman	04
02.	Mr.V.R.Deenadayalu	Member	04
03.	Dr.P.S.Mani Sundaram	Member	04

b. Audit Committee Meetings held during the financial year 2012-2013

Audit Committee Meetings			
May 14, 2012	August 03, 2012	November 07, 2012	February 09, 2013

c. Board Reference to the Audit Committee

The Statutory Auditors, the Internal Auditors and the Cost Auditor 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 Board's terms of reference to the committee include following:

- (i) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor/Cost Auditor and the fixation of audit fees.
- (ii) To review the weakness in internal controls, if any, with the management and internal auditors and report to the Board the recommendations relating thereto;
- (iii) To select and establish accounting policies;
- (iv) 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;
- (v) Reviewing the company's financial and risk management policies,
- (vi) To approve the quarterly Un-audited financial results for publication in accordance with stock exchange requirements;
- (vii) To review Management Discussion and analysis of financial condition and results of operations;
- (viii) To review statement of significant related party transaction, submitted by the management;

d. Share Transfer Cum Shareholders Grievances Committee

The Share Transfer cum Shareholders 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. R.Prakash, Company Secretary, is the Compliance Officer.

During the period under review, the committee met 10 times and the attendance details of Committee Members is as follows:

Name of the Directors	Category	Meetings Attended
Mr.P.S.Gopalakrishnan	Chairman	10
Mr.B.H.Kothari	Member	09
Dr.P.S.Mani Sundaram	Member	10

e. Details of the Complaints received from the Shareholder(s) / Department(s) during the financial year 2012-2013

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	07	07	Nil
3	Non receipt of annual reports	03	03	Nil
4	Non receipt of final redemption warrants	01	01	Nil
5	Non receipt of fractional warrants	01	01	Nil
6	Transfer of shares	Nil	Nil	Nil
7	De-materialization matters	Nil	Nil	Nil
8	Others	01	01	Nil
	TOTAL	13	13	--
1	Securities Exchange Board of India (SEBI)	Nil	Nil	Nil
2	Ministry of Corporate Affairs (MCA)	Nil	Nil	Nil
3	National Stock Exchange (NSE)	02	02	Nil
4	Registrar of Companies (ROC)	Nil	Nil	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 Directors - Mr.P.S.Gopalakrishnan (Chairman), Mr.V.R.Deenadayalu and Dr.P.S.Mani Sundaram.

The Committee did not meet during the year.

The details of remuneration paid to Chairman and Managing Director from 1st April 2012 to 31st March 2013 is as follows:

(Amount in Rupees)

Name	Fixed Component			Variable Component
	Salary & Allowances	Retirement Benefits	Other Benefits	Commission
Mr. B H Kothari	48,00,000	5,76,000	--	47,15,000

The Company has not paid any remuneration to its Non-Executive Directors during the financial year 2012-13 other than the sitting fees for the Board/Committee meetings. The Company does not have any Stock Option Scheme.

g. Subsidiary Company

- The Board reviewed the financial statements of the unlisted subsidiary.
- The minutes of the Board Meetings of the subsidiary company are noted at the Board Meetings of the Company. Further a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company are placed before the Company's Board, as and when applicable.

4) Directors' Sitting fees

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

(Amount in Rupees.)

Name of the Directors	Sitting Fees Paid		
	Board Meeting	Audit Committee	Total
Mr.B.H.Kothari	Nil	Nil	Nil
Mr.P.S.Gopalakrishnan	41,500	27,000	68,500
Mr.V.R.Deenadayalu	41,500	27,000	68,500
Dr.P.S.Mani Sundaram	41,500	27,000	68,500

5) Annual General Meeting

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

Year	Venue	Date	Day	Time
2011-2012	The Music Academy, Mini Hall, Old No. 306, New No.168, T.T.K. Road, Chennai - 600 014	September 25, 2012	Tuesday	10.30 A.M.
2010-2011	Rani Seethai Hall No.603, Anna Salai, Chennai - 600 006	September 08, 2011	Thursday	10.30 A.M.
2009-2010	The Music Academy, Mini Hall, Old No. 306, New No.168, T.T.K. Road, Chennai - 600 014	September 21, 2010	Tuesday	10.30 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
September 25, 2012	No	—
September 08, 2011	No	—
September 21, 2010	No	—

7) Postal Ballot

During the financial year 2012-2013 no Special Resolution was passed through Postal Ballot.

8) Disclosures

During the financial year 2012-2013, the Audit Committee and the Board considered the statement of related party transactions on quarterly basis alongwith relevant details. There are no materially significant transactions with related parties conflicting with the Company's interest. Suitable disclosure as required by the Accounting Standard AS-18 has been made in the Annual Report.

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) Means of Communication

All Quarterly and Annual financial results are published in The Financial Express and Malai Sudar. The Financials and other important events are also posted in the Company's website at www.hckotharigroup.com/kscl. The Half-Yearly financial results are not sent individually to the shareholders.

Pursuant to the Green Initiative taken by the Ministry of Corporate Affairs allowing service of documents through electronic mode, the Company sends documents in electronic form to those shareholders who have registered their email-id for the purpose.

11) General Shareholder Information
Annual General Meeting

Date and Time	September 06, 2013, Friday at 10.15. A.M.
Venue	The Music Academy, Mini Hall, Old No. 306, New No.168, T.T.K. Road, Chennai - 600 014

12) Financial Calendar of the company

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

Financial Reporting for 2013-2014 (Tentative)

Results for Quarter ending 30 th June, 2013	26 th July, 2013
Results for Quarter ending 30 th September, 2013	First fortnight of November, 2013
Results for Quarter ending 31 st December, 2013	First fortnight of February, 2014
Results for Quarter ending 31 st March, 2014	Last Week of May, 2014

13) Date of Book Closure

The period of book closure is fixed from Thursday, 29th August, 2013 to Friday, 6th September 2013 (both days inclusive)

14) 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 2013 - 14 has been paid. (Stock Code: KOTARISUG).

15) Market Price Data: High, Low in each month of the Financial Year 2012-2013 on The National Stock Exchange of India Limited.

(Rupees)

Month	High	Low	Month	High	Low
Apr 2012	6.45	5.00	Oct 2012	10.70	8.40
May 2012	10.00	6.00	Nov 2012	11.00	9.50
Jun 2012	8.50	7.45	Dec 2012	10.25	8.55
Jul 2012	9.15	7.80	Jan 2013	10.60	9.50
Aug 2012	8.95	8.05	Feb 2013	11.00	8.50
Sep 2012	9.00	8.20	Mar 2013	9.40	8.05

16) Registrar and Share Transfer Agents

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

17) Distribution of Shareholding

No. of Equity shares held	No. of Shareholders	No. of Shares
Upto 5000	22,697	27,66,428
5001-10000	2,608	23,05,531
10001-20000	1,302	21,16,180
20001-30000	467	12,29,886
30001-40000	217	7,97,295
40001-50000	229	11,08,904
50001-100000	286	21,81,715
100001 and above	234	7,03,82,641
Total	28,040	8,28,88,580

18) Shareholding Pattern

Sl. No.	Category	No. of Holders	No. of shares	% of Shares
(i)	Promoters	6	5,43,47,519	65.57
(ii)	Resident Indians	27,444	1,80,84,894	21.82
(iii)	Domestic Companies	478	77,01,470	9.29
(iv)	Financial Institutions	7	22,67,906	2.73
(v)	Non-Resident Indians	96	4,85,992	0.59
(vi)	Directors & Relatives	2	474	0.00
(vii)	Mutual Funds	7	325	0.00
	Total	28,040	8,28,88,580	100.00

19) De-materialization of Shares

As on March 31, 2013, 8,27,94,310 shares representing 99.89% of the Company's total shares were held in dematerialized form and the balance shares were held in physical form.

ISIN No.INE419A01022

20) Plant Locations & Addresses

Kattur	Kattur Railway Station, Lalgudi, Trichy District - 621 706. Tamilnadu Phone Nos. : 0431-2541224, 2541350, Fax No. : 0431 - 2541451
Sathamangalam	Sathamangalam Village, Vetriyur Post, Via - Keezhapalur, Ariyalur Taluk, Perambalur District - 621 707, Tamilnadu Phone Nos: 04329-320800, Fax No:04329 - 209730

21) Contacts

Company's Registered Office	Company Share Transfer Agent
The Company Secretary Kothari Sugars & Chemicals Limited Kothari Buildings 115, Mahatma Gandhi Salai Nungambakkam, Chennai – 600 034. Tel. No. : 044-30281595, 30225507 Fax No. : 044-28334560 Email : secdept@hckgroup.com	M/s.Cameo Corporate Services Limited Unit: Kothari Sugars & Chemicals Limited Subramanian Building, 5th Floor No.1, Club House Road Chennai - 600 002 Tel. No.: 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 : July 26, 2013

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, 2013.

for **Kothari Sugars and Chemicals Limited**

Place : Chennai
Date : July 26, 2013

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 Mr.J.Sreenivas, Finance-in-Charge of the Company hereby confirm and certify that:

- a. We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2013 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 : May 30, 2013

B.H.Kothari
 Chairman and Managing Director

J.Sreenivas
 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, 2013 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.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or 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 : July 26, 2013

M. Rajasekar
 Partner
 M.No.228637

INDEPENDENT AUDITORS' REPORT**To the Members of Kothari Sugars and Chemicals Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Kothari Sugars and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place : Chennai
Date : May 30, 2013

M. Rajasekar
Partner
M.No.228637

KOTHARI SUGARS AND CHEMICALS LIMITED
ANNEXURE REFERRED TO IN PARAGRAPH 1 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 program 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 companies, firms or other parties covered in the register maintained under Section 301 of the companies Act 1956.
6. In our opinion and according to the information and explanations given to us, the company has taken loans from the companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1500 lacs and the year-end balance of loans taken from two such parties was Rs.2467.84 lacs.

In our opinion, interest specified for such a loan taken during the year and other terms and conditions on which all such loans were taken are not prima facie prejudicial to the interest of the company.

The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest where ever applicable..

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

The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

9. The company has no fixed deposits requiring compliance of provisions of Section 58 and 58 AA or any other relevant provisions of the act and the rules framed there under.
10. The Internal Audit function has been carried out by firms 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 materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956. 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 however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
12. According to the information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year. The company has no dues towards Investor Education and Protection Fund and Wealth Tax.

According to the information and explanations given to us, Purchase Tax and Sales tax amounting to Rs.591.88 lacs has been in arrears for a period exceeding six months (pertaining to the period April 2001 to June 2004) 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 any dispute and there are no such dues in respect of Income Tax, Wealth Tax, Service Tax and Value Added Tax.

SI No.	Nature of dues	Forum Where Disputed	Amount Unpaid Rs in lacs
i.	Central Excise	Joint Asst. Comm. Central Excise	467.58
ii.	Central Excise	CESTAT	15.35
iii.	Central Excise	High Court	3.35
iv.	Central Excise	Supreme Court	128.19
v.	Customs	Commissioner Appeals	73.39

13. The Company has no accumulated losses at the end of the year. The Company has not incurred any cash loss during the financial year and the immediately preceding financial year.
14. The Company has not defaulted in the payment of dues to financial institutions, banks and debenture holders during the 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 not a Chit Fund, Nidhi or Mutual Benefit fund or Society.
17. 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 in its own name.
18. In our opinion and according to the information and explanations given to us the Company has not given any guarantee for any loans taken by others from banks and financial institutions during the financial year.
19. 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.
20. According to the cash flow statement and other records examined by us and the information and explanations given to us, no funds raised on short term basis have been used for long term investments.
21. 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.
22. According to the information and explanations given to us and the records examined by us, no debentures have been issued during the year.
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 : May 30, 2013

M. Rajasekar
Partner
M.No.228637

BALANCE SHEET AS AT 31ST MARCH 2013

₹ in lakhs

	Particulars	Note No.	As at 31.03.2013		As at 31.03.2012	
I	EQUITY AND LIABILITIES					
1)	Shareholders' funds					
a)	Share Capital	2	9,113.86		9,213.86	
b)	Reserves and surplus	3	4,040.78		3,179.46	
				13,154.64		12,393.32
2)	Non-Current liabilities					
a)	Long-term borrowings	4	10,616.98		10,137.85	
b)	Deferred tax liabilities (Net)	5	2,071.31		1,383.89	
c)	Other Long term liabilities	6	1,761.12		2,183.88	
				14,449.41		13,705.62
3)	Current liabilities					
a)	Short-term borrowings	7	5,856.29		1,949.97	
b)	Trade payables	8	2,077.18		4,316.64	
c)	Other current liabilities	9	2,771.53		3,401.32	
d)	Short-term provisions	10	57.02		50.42	
				10,762.02		9,718.35
	TOTAL			38,366.07		35,817.29
II	ASSETS					
1)	Non-current assets					
a)	Fixed assets					
i)	Tangible assets	11	22,658.33		18,236.69	
ii)	Intangible assets	11	11.34		16.68	
iii)	Capital work-in-progress		66.17		2,510.19	
b)	Non-current investments	12	29.04		29.04	
c)	Long-term loans and advances	13	611.14		796.45	
d)	Other non-current assets	14	458.96		82.50	
				23,834.98		21,671.55
2)	Current assets					
a)	Current investments	15	809.14		627.05	
b)	Inventories	16	9,773.56		9,074.40	
c)	Trade receivables	17	1,672.59		2,014.08	
d)	Cash and Bank balances	18	1,268.53		1,731.09	
e)	Short-term loans and advances	19	727.49		490.94	
f)	Other current assets	20	279.78		208.19	
				14,531.09		14,145.74
	TOTAL			38,366.07		35,817.29
	Significant Accounting Policies & Notes to Accounts	1-37				

For and on behalf of the Board

As per our Report of even date

for R.Subramanian and Company
Chartered Accountants

B.H. Kothari
Chairman and Managing Director

P.S.Gopalakrishnan
Director

M.Rajasekar
Partner
M.No.228637

Place : Chennai
Date : May 30, 2013

R.Prakash
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

₹ in lakhs

	Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I	Revenue from Operations (Gross)	21	44,399.88	32,961.15
	Less:Excise Duty		1,098.19	756.70
	Revenue from operations (net)		43,301.69	32,204.45
II	Other Income	22	789.13	479.66
III	Total Revenue (I+II)		44,090.82	32,684.11
IV	Expenses:			
	(a) Cost of materials consumed	23	33,298.54	27,139.59
	(b) Changes in inventories of finished goods Work-in-progress and Stock-in-Trade	24	(498.05)	(3,343.03)
	(c) Employee benefits expense	25	1,743.07	1,455.93
	(d) Finance costs	26	585.66	510.29
	(e) Depreciation and amortization expenses	27	1,689.21	1,315.07
	(f) Other expenses	28	5,357.07	3,726.73
	Total Expenses		42,175.50	30,804.58
V	Profit before exceptional and extraordinary items and tax (III-IV)		1,915.32	1,879.53
VI	Exceptional items		-	-
VII	Profit before tax (V-VI)		1,915.32	1,879.53
VIII	Less : Tax expense			
	(a) Current tax		366.58	374.21
	(b) Deferred tax		687.42	664.01
			1,054.00	1,038.22
IX	Profit for the year (VII-VIII)		861.32	841.31
X	Earnings per equity share:			
	1) Basic		1.04	1.01
	2) Diluted		1.04	1.01
	Significant Accounting Policies & Notes to Accounts	1-37		

For and on behalf of the Board

As per our Report of even date

for R.Subramanian and Company
 Chartered Accountants

B.H. Kothari
 Chairman and Managing Director

P.S.Gopalakrishnan
 Director

M.Rajasekar
 Partner
 M.No.228637

 Place : Chennai
 Date : May 30, 2013

R.Prakash
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

₹ in lakhs

	Particulars	As at 31.03.2013		As at 31.03.2012	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before tax		1,915.32		1,879.53
	Adjustments for :				
	Depreciation	1,689.21		1,315.07	
	Interest Income	(72.02)		(244.27)	
	Dividend Income from Associate	(60.10)		(60.10)	
	Bad Debts	103.30		28.71	
	Liability no longer required written back	(180.26)		(9.10)	
	Provision for Compensated absences	27.37		20.08	
	Finance Cost - Interest	528.74		467.03	
	Unrealised Exchange Variation (Net)	-		(9.22)	
	Provision for Diminution in value of Investments	13.87		75.70	
	Loss on Sale of assets (Vehicles)	-		2.41	
	Loss / (Gain) on sale of Investments	(69.43)		163.42	
	Income from Mutual Fund Investment	(53.15)		(34.76)	
			1,927.53		1,714.99
	Operating Profit before Working Capital changes		3,842.85		3,594.52
	(Increase) / Decrease in Trade Receivables	238.18		(606.20)	
	(Increase) / Decrease in Other Receivables	119.82		25.63	
	(Increase) / Decrease in Inventories	(699.16)		(3,604.00)	
	Increase / (Decrease) in Trade Payables and Other Payables	(3,499.08)		438.52	
			(3,840.24)		(3,746.05)
	Cash Generation from Operations		2.59		(151.54)
	Less: Income Tax Paid		350.00		476.54
	Net Cash Generation from Operating Activities - (A)		(347.41)		(628.10)
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Capital Expenditure		(3,661.49)		(2,168.84)
	Proceeds from sale of Investments (net)		(195.95)		2,464.64
	Interest Received		72.02		244.27
	Dividend Income from Associate		60.10		60.10
	Consideration for Sale of Fixed assets		-		10.40
	(Loss) / Gain on sale of Investements		69.43		(163.42)
	Income from Mutual Fund Investment		53.15		34.76
	Net Cash from Investing activities - (B)		(3,602.74)		481.90
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Redemption of Preference Share Capital		(100.00)		(100.00)
	Proceeds from Term loans and Other borrowings		5,706.38		389.59
	Repayment of Borrowings		(1,320.93)		(1,932.31)
	Interest paid		(528.74)		(467.03)
	Net Cash used in Financing activities - (C)		3,756.70		(2,109.74)
	Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)		(193.45)		(2,255.92)
	Cash and Cash equivalents at the beginning of the year		1,314.94		3,570.86
	Cash and Cash equivalents at the close of the year (Ref.Note 18)		1,121.49		1,314.94
			193.45		2,255.92

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

B.H. Kothari
Chairman and Managing Director

P.S.Gopalakrishnan
Director

M.Rajasekar
Partner
M.No.228637

Place : Chennai
Date : May 30, 2013

R.Prakash
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS**Note 1****CORPORATE INFORMATION**

Kothari Sugars and Chemicals Limited (referred to as "KSCL" or the "Company") are the Manufacturers of Sugar, Alcohol and Co-generation of power having units at Kattur and Sathamangalam, Tamilnadu.

SIGNIFICANT ACCOUNTING POLICIES**(a) 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.

(b) USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financials and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment.

(c) 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).

(d) FIXED ASSETS & DEPRECIATION

- (i) 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 capitalized.
- (ii) 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

(e) 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.

(f) INVESTMENTS

Investments are classified into current and long term Investments in line with the revised schedule VI requirement. Current Investments are stated at lower of cost and Fair Value. Long term Investments are valued at Cost. A provision for diminution is made to recognize a decline other than temporary in the value of Investments.

(g) INVENTORIES

- (i) Raw Materials and Stores and Spares are valued at weighted average cost.
- (ii) Finished Stocks are valued at cost (including applicable overheads and excise duty) or net realizable values whichever is lower.
- (iii) Work-in-Process value is derived from the value of finished goods less estimated cost of work still to be completed.
- (iv) Modvat / Cenvat / Service Tax credits on materials / capital items are availed on purchases / installation of assets respectively and utilized for payment of excise duty on goods manufactured and the unutilized credit is carried forward in the books.

(h) REVENUE RECOGNITION

- i) All revenues are accounted on accrual basis
- ii) Sales are net of trade discounts and sales tax.

(i) 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 with the underwriters, 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.

(j) RESEARCH AND DEVELOPMENT

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

(k) SEGMENT REPORTING

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

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

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the Lessor are classified as operating leases. Rental payments made under operating leases are charged to the statement of Profit and Loss.

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease Income on such operating leases is recognized in the Statement of Profit and Loss.

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
2	SHARE CAPITAL		
	Authorised		
	13,00,00,000 (P.Y. 13,00,00,000) Equity Shares of Rs 10/- each	13,000.00	13,000.00
	12,00,000 (P.Y. 12,00,000) Redeemable Preference shares of Rs.100/- each	1,200.00	1,200.00
	20,00,000 (P.Y. 20,00,000) Redeemable Preference shares of Rs.10/- each	200.00	200.00
	Total	14,400.00	14,400.00
	ISSUED SUBSCRIBED AND FULLY PAID-UP		
	Equity Share Capital		
	8,28,88,580 (P.Y. 8,28,88,580) Equity Shares of Rs 10/- each	8,288.86	8,288.86
	{Of the above the holding company holds 5,40,86,610 shares (P.Y. 4,99,86,610 shares)}		
	The Company has issued only one class of Equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share.		
	Zero Percent Redeemable Preference Share Capital		
	12,00,000 (P.Y.12,00,000) Preference Shares of Rs 100/- each	1,200.00	1,200.00
	Less: Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	492.85	407.14
	A	707.15	792.86
	{Out of 12,00,000 shares, the holding Company (Parvathi Trading & Finance Co. Pvt. Ltd) holds 2,50,000 shares}		
	The redemption is as under:		
	50 % of the face value of preference shares in 28 equal quarterly instalments commencing from 17.9.2007. The balance 50% of the face value of the preference shares in 8 equal quarterly instalments commencing from 17.09.2014.		
	Zero Percent Redeemable Preference Share Capital		
	20,00,000 (P.Y.20,00,000) Preference Shares of Rs 10/- each	200.00	200.00
	Less: Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	82.15	67.86
	B	117.85	132.14
	These will be redeemed as under:		
	50 % of the face value of preference shares in 28 equal quarterly instalments commencing from 17.9.2007. The balance 50% of the face value of the preference shares in 8 equal quarterly instalments commencing from 17.09.2014.		
	A+B	825.00	925.00
	Total	9,113.86	9,213.86

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
	(a) Equity Shares	No. of Shares	
	Reconciliation of Number of Shares		
	Shares outstanding as at 1st April 2012 / 1st April 2011	8,28,88,580	8,28,88,580
	Shares outstanding as at 31st March 2013 / 31st March 2012	8,28,88,580	8,28,88,580
	List of shareholders holding more than 5% of the total number of shares issued by the Company:		
	Parvathi Trading & Finance Co.Pvt.Ltd. (65.25%) (P.Y.60%)	5,40,86,610	4,99,86,610
	(b) Preference Shares		
	Reconciliation of Number of Shares		
	Zero percent Preference shares of Rs.100/- each		
	Shares outstanding as at 1st April 2012 / 1st April 2011	12,00,000	12,00,000
	Shares outstanding as at 31st March 2013 / 31st March 2012	12,00,000	12,00,000
	List of Preference shareholders holding more than 5% of the total number of shares issued by the Company		
	Industrial Development Bank of India (45.83%) (PY 45.83%)	5,50,000	5,50,000
	Parvathi Trading & Finance Co.Pvt.Ltd (Holding Company) (20.83%) (PY 20.83%)	2,50,000	2,50,000
	Federal Bank (16.67%) (PY 16.67%)	2,00,000	2,00,000
	Reconciliation of Number of Shares		
	Zero percent Preference shares of Rs.10/- each		
	Shares outstanding as at 1st April 2012 / 1st April 2011	20,00,000	20,00,000
	Shares outstanding as at 31st March 2013 / 31st March 2012	20,00,000	20,00,000
	List of Preference shareholders holding more than 5% of the total number of shares issued by the Company		
	Industrial Development Bank of India (100%) (PY 100%)	20,00,000	20,00,000
3	Reserves and Surplus	₹ in lakhs	
	Capital Redemption Reserves		
	Opening Balance	475.00	375.00
	Add:On redemption of Preference Shares	100.00	100.00
	Total	575.00	475.00
	Debenture Redemption Reserve		
	Opening Balance	600.00	525.00
	Add:Transferred from Surplus in Statement of Profit and Loss	75.00	75.00
	Total	675.00	600.00
	Surplus in statement of Profit and Loss		
	Opening Balance	2,104.46	1,438.15
	Add: Profit for the Year	861.32	841.31
	Less:		
	Transfer to Capital Redemption Reserve	100.00	100.00
	Transfer to Debenture Redemption Reserve	75.00	75.00
	Closing Balance	2,790.78	2,104.46
	Grand Total	4,040.78	3,179.46

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
4	Long Term borrowings		
	Debentures		
	20,31,018 (P.Y.20,31,018) Zero Coupon Bonds of Rs.100/- each redeemable at par in equal quarterly installments from 4th (2007-2008) to 10th year (2013-14)	2,031.02	2,031.02
	Less : Amount paid towards redemption in quarterly installments as per AAIFR order dated 17.06.2004.	1,958.50	1,668.35
	Rs.362.67 lacs (Rs.72.52 lacs under long term borrowings and Rs.290.16 lacs under current maturities of long term debt) (P.Y. Rs 652.83 lacs) are secured by first charge on all movable and immovable properties situated in the State of Gujarat and Kattur unit in Tamil Nadu, except book debts of the Company.		
	Of the above, Rs.208.92 lacs (P.Y. Rs.376.05 lacs) is due to the Holding Company		
	Repayable in 28 equal quarterly installments starting from September 2007. Last installment due in June 2014. Number of installments due 5. Rate of Interest – Nil		
	Total (a)	72.52	362.67
	20,31,017 (P.Y.20,31,017) Zero Coupon Bonds of Rs.100/- each redeemable at par at the end of the 25th year (2029-2030)	2,031.02	2,031.02
	Of the above, amount due to the Holding Company Rs.1,533.43 Lacs		
	Secured by first charge on all movable and immovable properties except book debts of the company situated in the state of Gujarat and Kattur unit in Tamil Nadu. Repayment in year 2029-30 in one single installment. Rate of Interest Nil		
	Total (b)	2,031.02	2,031.02
	Total (a+b)	2,103.54	2,393.69
	Debentures/Zero coupon Bonds are secured by the first charge on all movable and immovable properties situated in the state of Gujarat and Kattur unit in Tamilnadu, except book debts of the company.		
	Term Loans from		
	Banks	1,590.78	-
	Sugar Development Fund	5,395.75	5,992.90
	Holding Company (Parvathi Trading & Finance Co.Pvt. Ltd.)	850.52	967.84
	Others	645.41	734.43
	Total (c)	8,482.46	7,695.17
	Secured	7,837.05	6,960.74
	Unsecured	645.41	734.43
		8,482.46	7,695.17
	Current maturities of Long Term Debt grouped under "Other Current Liabilities" Refer Note 9)	1,294.17	1,907.89

NOTES FORMING PART OF FINANCIAL STATEMENTS

Term Loan from banks

- i) Term Loan from Indian Bank Rs. 1.500 lacs (P.Y. Rs.Nil) of which Rs. 1,464.29 lacs under long term borrowings and Rs.35.71 lacs under current maturity. Secured by Exclusive first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam sugar & cogeneration Unit. Balance instalments 84. Rate of Interest 11.70% p.a. Amount of each instalment Rs.17.86 lacs.
- ii) Term Loan from Indian Bank 148.82 lacs (P.Y. Rs.Nil) of which Rs.126.50 lacs under long term borrowings and Rs.22.32 lacs under current maturity. Secured by Exclusive first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam sugar & cogeneration Unit. Balance instalments 60. Rate of Interest 11.45% p.a. Amount of each instalment Rs.2.48 lacs.

Term Loan Sugar Development Fund

- i) Rs.1,283.10 Lacs (P.Y. Rs. 1,283.10 Lacs) Secured by exclusive second charge on all Movable and Immovable Properties except book debts of the Company situated at Kattur, Tamil Nadu. Annual repayment in 5 equal annual instalments starting from September 2015 to September 2019. Rate of Interest 4% p.a. Amount of each instalment Rs.256.62 lacs. Balance instalments 5.
- ii) Rs.1,283.10 Lacs (P.Y. Rs.1,283.10 Lacs) Secured by exclusive second charge on all Movable and Immovable Properties except book debts of the Company situated at Kattur, Tamil Nadu. Annual repayment in 5 equal annual instalments starting from December 2014 to December 2018. Rate of Interest 4% p.a. Amount of each instalment Rs.256.62 lacs. Balance instalments 5.
- iii) Rs.1,720.24 Lacs (P.Y. Rs. 1,720.24 lacs) Secured by exclusive second charge on all Movable and Immovable Properties except book debts of the Company situated at Kattur Unit, Tamil Nadu. Repayment in 5 equal annual instalment starting from January 2019 to January 2023 Rate of Interest 4% p.a. Amount of each instalment Rs.344.05 lacs. Balance instalments 5.
- iv) Rs.504 lacs (P.Y. Rs. 840 lacs) of which Rs.168 Lacs under long term borrowings and Rs.336 lacs under current maturity secured by exclusive second charge on all Movable and Immovable Properties except book debts of the Company situated at Kattur, Tamil Nadu. Repayment in 10 half yearly instalments starting from March 2010 to September 2014. Balance Instalment 3. Rate of Interest 4% p.a. Amount of each instalment Rs.168 lacs.
- v) Rs. 672 lacs (P.Y. Rs. 1008 lacs) of which Rs.336 Lacs under long term borrowings and Rs.336 lacs under current maturity secured by exclusive second charge on all Movable and Immovable Properties except book debts of the Company situated at Kattur, Tamil Nadu. Repayment in 10 half yearly instalments starting from September 2010 to March 2015. Balance Instalment 4. Rate of Interest 4% p.a. Amount of each instalment Rs.168 lacs.
- vi) Rs. 66.22 lacs (P.Y. Rs.99.34 lacs) of which Rs.33.11 Lacs under long term borrowings and Rs. 33.11 lacs under current maturity secured by bank Guarantee. Repayment in 4 equal annual instalments from August 2011 to August 2014. Balance instalments 2. Rate of Interest – 4 % Amount of each instalment Rs.33.11 lacs.
- vii) Rs.116.80 lacs (P.Y. 116.80 lacs) Secured by bank Guarantee Repayment in 4 Annual Equal instalments starting from April 2014 to April 2017. Balance instalments 4. Rate of Interest 4% p.a. Amount of each instalment Rs.29.20 lacs.
- viii) Rs.34.54 lacs (P.Y. Rs 103.61 lacs) of which Rs. Nil under long term borrowings and Rs. 34.54 lacs under current maturity secured by bank Guarantee. Repayment in 8 half yearly instalments starting from January 2010 to July 2013. Balance instalments 1. Rate of Interest 4% p.a. Amount of each instalment Rs.34.54 lacs.
- ix) Rs.272.79 lacs (P.Y. Rs.272.79 lacs) Repayment 4 equal Annual instalments starting from February 2015 to February 2018. Secured by Bank Guarantee. Balance instalments 4. Rate of Interest 4% p.a. Amount of each instalment Rs.68.20 lacs.
- x) Rs. 182.61 lacs (P.Y. Rs.Nil) Repayment 4 equal Annual instalments starting from February 2016 to February 2019. Secured by Bank Guarantee. Balance instalments 4. Rate of Interest 6.75% p.a. Amount of each instalment Rs.45.65 lacs.

Term Loan From Holding Company

- i) Rs.821.20 lacs (P.Y. Rs.821.20 lacs). Secured by Hypothecation of Movable properties including plant and machinery and Inventories situated at Kattur unit, Tamil Nadu. Payable in June 2029. Rate of Interest – Nil. No. of instalments 1.
- ii) Rs.146.64 lacs (P.Y. Rs.263.96 lacs) of which Rs.29.32 Lacs under long term borrowings and Rs.117.32 lacs under current maturity secured by hypothecation of movable properties including plant and machinery and Inventories situated at Kattur unit, Tamil Nadu Payable in 28 equal quarterly instalments Balance Instalments 5. Rate of Interest – Nil Amount of each instalment Rs.29.33 lacs.

Term Loan From Others (Unsecured)

- i) Rs.623.15 lacs (P.Y. Rs.623.15 lacs) payable in June 2029. Rate of Interest – Nil. No. instalments 1
- ii) Rs.111.28 lacs (P.Y. Rs.200.30 lacs) of which Rs.22.26 Lacs under long term borrowings and Rs.89.02 lacs under current maturity. Repayment in 28 equal quarterly instalments. Balance instalments 5. Rate of Interest Nil. Amount of each instalment Rs.22.26 lacs.

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
	Other Loans (Secured)		
	Vehicle Loan	30.98	48.99
	Total (d)	30.98	48.99
	Total (a+b+c+d)	10,616.98	10,137.85
	Vehicle loan from Kotak Mahindra Prime Ltd Rs.58.87 lacs (P.Y. Rs.48.99 lacs) of which Rs.27.89 lacs is shown under Current liabilities "Current maturity of vehicle loan". Last repayment due in March 2015. Amount of each installment Rs.2.73 lacs. Balances installments 23. Rate of Interest 10.42% p.a.		
5	Deferred Tax Liability / (Asset)		
	Deferred Tax Liability		
	Timing Difference on Depreciation of Fixed Assets	3,065.56	2,879.37
	Deferred Tax Asset on		
	Sec.43B expenses allowable on payment under IT Act 1961	(192.03)	(273.78)
	Provision for Diminution in value of current investments	(4.50)	(38.43)
	Carry Forward Depreciation loss	(797.72)	(1,183.27)
	Deferred Tax Liability (Net)	Total	1,383.89
		2,071.31	
6	Other Long-term Liabilities		
	Trade payables	185.48	514.03
	Interest accrued but not due on Loans	761.78	589.34
	Deferred Sales Tax payable as per AAIFR	387.83	607.04
	Other payables and Deposits	426.02	473.47
	Total	1,761.12	2,183.88
	Current Liabilities		
7	(A) Short-Term Borrowings - Secured		
	Loans repayable on demand		
	From banks*	4,356.29	1,949.97
	Total	4,356.29	1,949.97
	*Cash Credit from Indian Bank for Rs. 4,356.29 Lacs (P.Y. Rs.1,949.97 Lacs) is secured by exclusive first charge on land ,Buildings and Plant and Machinery and all the movable properties (present and future) of the Sathamangalam sugar and cogeneration Unit		
	(B) Short-Term Borrowings - Unsecured		
	Loans repayable on demand		
	From Parasakthi Trading Co.Pvt.Ltd	1,500.00	-
	Total	1,500.00	-
	Total (A+B)	5,856.29	1,949.97
8	Trade Payables	2,077.18	4,316.64
	Total	2,077.18	4,316.64
	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 could not be given.		
9	Other Current Liabilities		
	Current maturity of long term debt	1,294.17	1,907.89
	Current maturity of Deferred Sales Tax payable as per AAIFR	204.05	204.05
	Current maturity of Interest accrued but not due on borrowings	12.77	16.20
	Current maturity of vehicle loan	27.89	32.73
	Statutory Remittances	242.68	257.28
	Gratuity	31.27	58.81
	Advances from Customers	28.47	161.14
	Others	930.23	763.22
	Total	2,771.53	3,401.32

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Sl. No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
10	Short-term Provisions		
	Provision for employee benefits	27.37	20.08
	Compensated absences	2.96	2.50
	Superannuation	26.69	27.83
	Bonus & Exgratia		
	Total	57.02	50.41

11. Fixed Assets

(₹ in lakhs)

Particulars	Gross Block			Depreciation			Net Block		
	As at 01.04.2012	Additions	Disposals	As at 31.03.2013	As at 01.04.2012	For the Year	Deductions	As at 31.03.2013	As at 31.03.2012
(i) Tangible Assets									
Land	362.34	2.00	-	364.34	-	-	-	364.34	362.34
Buildings	3,497.10	567.70	-	4,064.80	864.57	274.71	-	2,925.52	2,632.53
Plant and Equipment	28,150.09	5,288.67	-	33,438.76	13,225.36	1,360.66	-	18,852.73	14,924.73
Furniture and Fixtures	223.07	23.16	-	246.23	111.03	38.22	-	96.99	112.04
Vehicles	268.92	223.98	-	492.90	63.87	10.28	-	418.75	205.05
Total	32,501.52	6,105.51	-	38,607.03	14,264.83	1,683.87	-	22,658.33	18,236.69
Previous year	31,387.11	1,172.15	57.74	32,501.52	13,004.06	1,309.59	48.82	18,236.69	18,383.06
(ii) Intangible assets									
Computer Software	33.98	-	-	33.98	17.30	5.34	-	11.34	16.68
Total	33.98	-	-	33.98	17.30	5.34	-	11.34	16.68
Previous year	32.91	1.08	-	33.98	11.82	5.48	-	16.68	21.09

NOTES FORMING PART OF FINANCIAL STATEMENTS - 15 (a)

₹ in lakhs

As at 31.03.13 Qty.	As at 31.03.12 Qty.	Investment	Category	As at 31.03.13	As at 31.03.12
	A	NON-CURRENT INVESTMENT AT COST			
		<u>Government Securities</u>			
		INDIRA VIKAS PATRA	Non-Trading	0.06	0.06
		<u>Subsidiary Companies -Equities (Fully paid up) Unquoted</u>			
9,99,950	9,99,950	KOTHARI INTERNATIONAL TRADING LTD. - Rs.10 EACH	Non-Trading	99.99	99.99
		<u>Associate Companies - Equities (Fully paid up)-Quoted</u>			
1,20,19,000	1,20,19,000	KOTHARI PETROCHEMICALS LTD. OF Rs.10 EACH	Trading	1,201.90	1,201.90
		<u>Associate Companies - Equities (Fully paid up)-Unquoted</u>			
20	20	KOTHARI BIO- TECH LTD. - Rs.10 EACH	Non-Trading	0.003	0.003
		<u>Equities - Others (Fully paid up) - Quoted</u>			
5,000	5,000	GUJARAT PETROSYNTHESE LTD. (Rs.10 EACH)	Non-Trading	2.50	2.50
		<u>Equities - Others (Fully paid up) - Unquoted</u>			
50,000	50,000	BIO- TECH CONSORTIUM LTD. (Rs.10 EACH)	Non-Trading	5.00	5.00
		<u>Equities - Others (Fully paid up)-Unquoted</u>			
2,086	2,086	KOTHARI SUGARS & CHEMICALS LTD. - EMPLOYEES CO-OPERATIVE SOCIETY LTD. OF Rs.10/- EACH.	Non-Trading	0.20	0.20
		TOTAL Non-Current Investment at cost		1,309.64	1,309.64
		Provision for Diminution in value of Investment		1,280.60	1,280.60
		TOTAL Non-Current Investment (Net)		29.04	29.04
		Aggregate of :			
		Quoted non-current investments at cost		1,309.64	1,309.64
		Market Value of Quoted Investments		740.72	638.64
	B	CURRENT INVESTMENT AT COST (Valued at lower of cost and market value)			
		Investment in Mutual Funds (Quoted)			
64,851	64,851	BIRLA FRONTLINE EQUITY FUND	Trading	15.00	15.00
59,738	59,738	FRANKLIN FLEXICAP FUND	Trading	10.00	10.00
41,548	1,03,869	FRANKLIN INDIA PRIMA FUND	Trading	20.00	50.00
51,960	51,960	FRANKLIN INDIA PRIMA PLUS FUND	Trading	16.20	16.20
27,333	27,333	FT INDIA BALANCED FUND	Trading	6.00	6.00
1,00,000	1,00,000	IDBI JUNIOR NIFTY INDEX FUND	Trading	10.00	10.00
-	2,00,000	RELIANCE INDEX FUND - NIFTY	Trading	-	20.00
52,604	52,604	SBI MAGNUM COMMA FUND	Trading	10.00	10.00
93,528	93,528	SBI MAGNUM SECTOR FUNDS UMBRELLA CONTRA	Trading	25.00	25.00
66,782	66,782	SUNDARAM SMILE FUND	Trading	10.00	10.00
2,45,694	2,45,694	SBNPP CAPEX OPPORTUNITIES FUND	Trading	38.00	38.00
-	27,279	JM MONEY MANAGER FUND SUPER PLUS PLAN	Trading	-	4.12
-	1,53,227	RELIANCE LIQUID FUND - TREASURY PLAN - INSTL	Trading	-	40.00
-	867	RELIANCE MONEY MANAGER FUND - INSTL	Trading	-	12.68
-	13,84,399	RELIANCE QUARTERLY INTERVAL FUND - SERIES III	Trading	-	200.00
-	2,861	SBI SHF ULTRA SHORT TERM FUND	Trading	-	40.04
-	1,898	TATA TREASURY MANAGER	Trading	-	23.22
-	465	TAURUS ULTRA SHORT TERM BOND FUND	Trading	-	5.83
-	1,46,259	TEMPLETON INDIA ULTRA SHORT BOND FUND	Trading	-	20.00
-	2,189	UTI TREASURY ADVANTAGE FUND	Trading	-	31.63
3,04,376	-	L & T FINANCE HOLDINGS LTD	Trading	304.38	-
62,321	-	FRANKLIN INDIA PRIMA FUND	Trading	30.00	-
1,79,822	-	BIRLA SUNLIFE SHORT TERM FUND	Trading	78.07	-
9,93,210	-	IDFC DYNAMIC BOND FUND	Trading	102.23	-
4,84,124	-	RELIGARE SHORT TERM PLAN	Trading	50.88	-
4,21,079	-	TEMPLETON INDIA LOW DURATION FUND	Trading	43.45	-
		Total		769.20	587.72

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

As at 31.03.13 Qty.	As at 31.03.12 Qty.	Investment	Category	As at 31.03.13	As at 31.03.12
		Equity - Others (Fully Paid) Quoted			
-	475	LARSEN & TOUBRO LTD (Rs. 2 EACH)	Trading	-	7.31
-	2,000	TATA POWER COMPANY LIMITED (Re. 1 EACH)	Trading	-	2.47
2,500	750	BHARAT HEAVY ELECTRICALS LIMITED (Rs. 2 EACH)	Trading	10.86	2.72
-	300	SINTEX INDUSTRIES (Re. 1 EACH)	Trading	-	0.35
300	300	ABB LIMITED (Rs. 2 EACH)	Trading	3.49	3.49
-	2,100	ADANI PORT (Rs. 2 EACH)	Trading	-	3.88
290	290	BGR ENERGY SYSTEMS LIMITED (Rs. 10 EACH)	Trading	1.97	1.97
-	1,750	BHARAT HEAVY ELECTRICALS LIMITED (Rs.2 EACH)	Trading	-	8.14
4,600	4,600	HINDUSTAN CONSTRUCTION COMPANY LIMITED (Re.1 EACH)	Trading	2.86	2.86
1,000	1,000	IDFC (Rs. 10 EACH)	Trading	2.11	2.11
1,000	1,000	INDIAN HOTELS (Re. 1 EACH)	Trading	1.26	1.26
3,000	1,825	LARSEN & TOUBRO LTD -(Rs. 2 EACH)	Trading	50.70	34.50
3,500	5,000	RELIANCE COMMUNICATIONS LIMITED (Rs. 5 EACH)	Trading	13.01	20.34
2,350	2,350	RELIANCE INDUSTRIES LTD (Rs. 10 EACH)	Trading	26.44	26.44
450	450	RELIANCE INFRASTRUCTURE LIMITED (Rs. 10 EACH)	Trading	4.42	4.42
3,500	4,375	RELIANCE POWER LTD (Rs. 10 EACH)	Trading	8.19	12.37
-	1,500	SINTEX INDUSTRIES LIMITD (Re.1 EACH)	Trading	3.20	2.86
17,000	15,000	TATA POWER COMPANY LIMITED (Re.1 EACH)	Trading	22.76	20.28
300	-	LARSEN AND TOUBRO LTD	Trading	5.57	-
2,100	-	MUNDRA PORT LTD	Trading	3.88	-
1,500	-	RELIANCE COMMUNICATIONS LTD	Trading	7.32	-
875	-	RELIANCE NATURAL RESOURCES LTD	Trading	4.18	-
		Total		172.24	157.78
		Total Current Investments at cost		941.45	745.50
		Less : Provision for Diminution in value of Investment		132.31	118.45
		Net Current Investments		809.14	627.05
		Aggregate of :			
		Quoted current investments at cost		941.45	745.50
		Market Value of Quoted Investments (Current)		809.13	627.05

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
12	Non-Current Investments		
	Non-Trading Investments	1,309.64	1,309.64
	Less : Provision for Diminution	1,280.60	1,280.60
	[Refer Note No. 15 (a)]		
	Total	29.04	29.04
	Investments in Equity instruments	28.98	28.98
	Investments Others	0.06	0.06
	Total	29.04	29.04
13	Long Term Loans and Advances (Unsecured, considered good)		
	Capital Advances		
	- Security deposits	4.39	173.43
	- Related Parties	13.87	13.87
	- Others	69.00	78.76
	Loans and advances to related parties		
	Doubtful {includes subsidiary of Rs.55.51 lacs (PY Rs.55.51 lacs)}	76.73	76.66
	Others (Unsecured, considered good)	-	-
		163.99	342.72
	Less: Provision for doubtful loans and advances	76.73	76.66
	(a)	87.26	266.06
	Other loans and advances - Income Tax refund receivable net of provision for Tax	(b) 523.88	530.39
	Total (a+b)	611.14	796.45
14	Other Non-Current Assets		
	Advance to Suppliers	53.55	56.88
	Application money for Investments in Bonds	400.00	-
	Others	5.41	25.62
	Total	458.96	82.50
15	CURRENT ASSETS		
	Current Investments		
	Investments in Equity instruments	172.25	157.78
	Investments in Mutual funds	769.20	587.72
	Less : Provision for Diminution	132.31	118.45
	[Refer Note No. 15 (b)]		
	Refer note 1 (f) for method of valuation		
	Total	809.14	627.05
16	Inventories		
	Raw materials and packing materials	241.89	209.64
	Work in progress	274.88	354.39
	Finished goods	8,546.79	8,000.19
	Stores and spares	710.00	510.18
	Total	9,773.56	9,074.40
	Refer note 1 (g) for method of valuation		
17	Trade Receivables		
	(Unsecured, Considered good)		
	For a period exceeding six months	418.25	579.64
	Others	1,254.34	1,434.44
	Total	1,672.59	2,014.08

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
18	Cash and Cash Equivalents		
	Cash on Hand	1.57	1.57
	Balances with Bank - In current accounts	740.89	218.43
	Fixed Deposit with Banks	379.03	1,094.94
	Total (A)	1,121.49	1,314.94
	Other Bank Balances		
	Balances with Bank-Under Lien	13.71	273.87
	Balances held as margin money or security against borrowings, guarantees and other commitments	133.33	142.28
	Total (B)	147.04	416.15
	Total (A+B)	1,268.53	1,731.09
19	Short Term Loans And Advances (Unsecured and considered good)		
	Loans and advances-Subsidiary	-	5.28
	Balances with government authorities		
	- CENVAT credit receivable	255.94	208.00
	- Service Tax credit receivable	5.78	48.68
	- Others	11.84	2.42
	Prepaid Expenses	146.09	112.05
	Other loans and advances	307.84	114.51
	Total	727.49	490.94
20	Other Current Assets		
	Drawback entitlement	1.27	16.78
	Other Receivables	195.08	67.35
	Advance to Suppliers	83.43	124.06
	Total	279.78	208.19
21	Revenue from Operations		
	Sale of products		
	Sugar	35,890.47	23,356.96
	Industrial Alcohol	5,752.18	6,121.49
	Electric Power	2,412.00	3,012.93
	Others	302.94	201.77
	Other Operating revenues	42.29	268.00
	Total	44,399.88	32,961.15
22	Other Income		
	Interest Income		
	- From Bank Deposits	67.04	241.03
	- Others	4.98	3.24
	Dividend Income from Current Investments		
	- Others	53.15	34.76
	Dividend Income from Associate	60.10	60.10
	Net gain on sale of current investments	69.43	-
	Other Non-Operating Income		
	- Other Miscellaneous income	330.87	129.63
	- Exchange gain (Forex)	23.30	1.80
	- Liability no longer required written back	180.26	9.10
	Total	789.13	479.66

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
	EXPENSES		
23	Cost of Materials Consumed		
	<u>Raw Material</u>		
	Sugarcane	31,490.19	23,931.93
	Coal	18.09	715.51
	Others	432.13	1,293.22
	Chemical and Others	613.51	551.25
	Packing	744.62	647.68
	Total	33,298.54	27,139.59
24	Changes in Inventories of Finished Goods, Work-in-progress		
	Opening Stock		
	<u>Finished Goods</u>		
	Sugar	7,520.51	3,897.14
	Molasses	439.34	393.24
	Industrial Alcohol	40.35	305.62
	<u>Work in progress</u>		
	Sugar	341.05	232.45
	Molasses	13.34	30.13
	Total	8354.59	4,858.58
	Closing Stock		
	<u>Finished Goods</u>		
	Sugar	8,069.25	7,520.51
	Molasses	219.78	439.34
	Industrial Alcohol	257.75	40.35
	<u>Work in progress</u>		
	Sugar	263.58	341.05
	Molasses	11.30	13.34
	Total	8,821.66	8,354.59
	(Increase) / Decrease over the previous year	(467.07)	(3,496.01)
	Excise duty adjustment for movement in Finished goods inventory	(30.98)	152.98
	Net change (Increase) / Decrease	(498.05)	(3,343.03)
25	Employee Benefits Expense		
	Salaries and Wages	1,447.00	1,250.56
	Contribution to Provident and Other Funds	135.20	151.06
	Staff Welfare Expenses	160.87	54.31
	Total	1,743.07	1,455.93
26	Finance Cost		
	Interest Expense	528.74	467.03
	Other Borrowing Costs	56.92	43.26
	Total	585.66	510.29
27	Depreciation and amortization expense	1,689.21	1,315.07

NOTES FORMING PART OF FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
28	Other Expenses		
	Consumption of stores and spare parts	1,297.42	805.27
	Power and Fuel	564.08	477.13
	Rent	64.96	47.49
	Repairs to Buildings	120.75	73.77
	Repairs to Machinery	501.40	326.56
	Repairs to Others	99.87	74.55
	Biocompost	79.71	66.03
	Insurance	79.03	65.92
	Rates and Taxes	166.55	146.96
	Excise duty expunged	631.92	304.02
	Freight & Clearing Expenses	422.18	329.96
	Directors Sitting fees	2.06	1.92
	Auditor's Remuneration		
	-Statutory Audit	2.75	2.75
	-Certification	1.20	1.20
	Travelling Expenses	190.73	80.69
	Research and Development	2.30	5.62
	Conveyance	22.97	11.78
	Professional Fees	148.38	84.07
	Commission	33.34	153.96
	Loss on Sale of Assets	-	2.41
	Rebates & Discounts	0.10	12.24
	Administration Expenses	776.90	359.97
	Bad Debts	103.30	28.71
	Diminution in value of current Investments	13.87	75.70
	Net Loss on Sale of current Investments	-	163.42
	Miscellaneous Expenses	31.32	24.62
	Total	5,357.07	3,726.73

29. Employee Benefits:

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

₹ in lakhs

Net Liability Recognized	2012-13	2011-12
Present Value of Obligation	5.30	10.54
Fair Value of Assets	Not Applicable	Not Applicable
Net Liability Recognized	(5.30)	(10.54)
Principal Actuarial Assumptions		
Interest rate (Liabilities)	8.00%	8.00%
Return on assets	Does not arise	Does not arise
Mortality table	LIC(94-96)	LIC(94-96)
Resignation rate per annum	1%	1%
Salary escalation rate	6%	6%

NOTES FORMING PART OF FINANCIAL STATEMENTS
b) Gratuity

Liability to existing employees of the Company in respect of gratuity is covered under a common insurance policy administered by a trust maintained for the participating enterprises viz. Kothari Sugars and Chemicals Limited (KSCL) and Kothari Petrochemicals Limited (KPL).

The actuarially valued liabilities under the Projected Unit Credit Method for the employees of the participating enterprise of the trust are calculated enterprise wise. The investments available with the underwriter are adjusted in proportion to the liability and the shortfall is provided for in the books of the participating enterprise. Consequently, the actuarial loss / gain if any relating to the other participating enterprise is also borne by every other participatory enterprise.

₹ in lakhs

Particulars	2012-13	2011-12
Projected benefit obligation at the beginning of the period	273.05	239.74
Current service cost	32.48	26.06
Interest cost	23.82	20.03
Actuarial loss / (gain)	12.60	22.88
Benefits paid	(18.64)	(35.66)
Projected benefit obligation at the end of the period	323.31	273.05
Amounts recognized in the balance sheet		
Projected benefit obligation at the end of the period	323.31	273.05
Fair value of plan assets at end of the period	285.10	220.14
Liability recognized in the balance sheet	38.21	52.91
Cost for the period		
Current service cost	32.48	26.06
Interest cost	23.82	20.03
Expected return on plan assets	(18.71)	(12.19)
Net actuarial (gain)/loss recognized in the period	1.73	28.64
Total	39.32	62.54
Less: Share of contribution from Associate Company	(6.94)	(3.73)
Net Cost recognized in Statement of Profit & Loss	32.38	58.81

30. Contingent Liabilities: -

- (i) Excise duty demands under appeal Rs.614.46 Lacs (P.Y. Rs.545.12 Lacs)
- (ii) Estimated amount of contracts remaining to be executed on capital account is Rs.215.79 Lacs (P.Y. Nil)
- (iii) Urban Land Tax under appeal Rs.40.28 Lacs (P.Y. Rs.37.23 Lacs)
- (iv) Customs duty under appeal Rs.73.39 Lacs (P.Y. Rs.73.39 Lacs)
- (v) Electricity Generation Tax Rs.1,086 Lacs (P.Y. Rs.225.59 Lacs)

31. 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, Distillery segment comprises of rectified spirit and denatured spirit.

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

NOTES FORMING PART OF FINANCIAL STATEMENTS**(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 recognized .

(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.

Refer Separate workings on Segment Results - Annexure – I at Page No.43

32. Related Party Disclosures:

Refer Separate workings on Related party Transactions – Annexure – II at Page No.44

33. Earnings per Share:

Particulars	2012-13	2011-12
Net Profit after Tax (Rs.in lacs)	861.32	841.31
No. of Equity Shares of Rs.10/- each	8,28,88,580	8,28,88,580
Earning per Share (Basic & Diluted) (Rs.)	1.04	1.01

34. Rental Income

A sum of Rs.23.98 lacs (P.Y. Rs.22.47 lacs) has been considered as rental Income from property.

35. Operating Lease

a) A sum of Rs.64.96 lacs (P.Y. Rs.47.49 lacs) has been debited to Rent account, being the rent paid on premises which has been taken on operating lease.

b) Maximum Lease payments in respect of vehicle purchased under hire purchase is as under:

₹ in lakhs

Particulars	2012-13	2011-12
Less than one year	32.73	32.73
Between 1 year and less than 5 years	32.73	65.46
Total	65.46	98.19

36. Foreign Exchange earnings and outgo

₹ in lakhs

S.No.	Particulars	2012-13	2011-12
(i)	Total Foreign Exchange earned	1331.24	2561.79
(ii)	Total Foreign Exchange outflow	25.44	25.36

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

For and on behalf of the Board

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

B.H. Kothari
Chairman and Managing Director

P.S.Gopalakrishnan
Director

M.Rajasekar
Partner
M.No.228637

Place : Chennai
Date : May 30, 2013

R.Prakash
Company Secretary

Annexure - I - Segment Information (Note - 31)

- a) Primary segment reporting (by Business Segments)
 (i) The Company has considered business segment as the primary segment for disclosure

These are:

- (i) Sugar
 (ii) Power
 (iii) Distillery

₹ in lakhs

Particulars	Sugar		Power		Distillery		Total	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
Segment revenues	39,437.67	26,729.88	4,982.75	4,962.55	6,006.93	6,274.64	50,427.35	37,967.07
Segment results	451.49	310.29	(853.75)	(264.98)	3,192.39	2,607.89	2,790.13	2,653.19
Segment assets	21,254.49	17,432.44	7,285.07	7,845.26	5,814.48	5,910.83	34,354.04	31,188.53
Segment Liabilities	20,803.00	17,704.58	8,138.82	8,110.25	2,622.08	2,720.51	31,563.91	28,535.34
Capital Expenditure	5,884.45	21.39	92.56	38.44	16.62	977.20	5,993.63	1,037.03
Depreciation	748.40	374.78	678.10	675.89	226.86	222.28	1,653.36	1,272.95

₹ in lakhs

Reconciliation of reportable segments with the financial statements:

Particulars	Gross Revenues		Results / Net profit		Assets		Liabilities		Capital Expenditure		Depreciation	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
Total Reportable Segment	50,427.35	37,967.07	2,790.13	2,653.19	34,354.04	31,188.53	31,563.91	28,535.34	5,993.63	1,037.03	1,653.36	1,272.95
Corporate-Unallocated	-	-	(2,171.23)	(1,988.55)	6,142.68	5,303.92	8,071.50	7,115.79	111.88	136.20	35.85	42.13
Inter Segment	(7,125.66)	(5,762.62)	-	-	-	-	-	-	-	-	-	-
Other revenues	789.12	479.66	-	-	-	-	-	-	-	-	-	-
Interest	-	-	(7.30)	(2.65)	-	-	-	-	-	-	-	-
Interest and Dividend income	-	-	249.71	179.32	-	-	-	-	-	-	-	-
	44,090.81	32,684.11	861.32	841.31	40,496.72	36,492.45	39,635.41	35,651.15	6,105.51	1,173.23	1,689.21	1,315.08

- b) Secondary Segment Information

₹ in lakhs

Particulars	2012-13		2011-12	
	India	Rest of the World	India	Rest of the World
1. Revenue by Geographical Market	49,102.67	1,324.68	35,405.28	2,561.79
2. Carrying amount of segment Assets	34,354.04	-	31,188.53	-
3. Additions to Fixed / Intangible Assets	6,105.51	-	1,173.23	-

Annexure - II - Related Party Disclosures (Note - 32)

Related party disclosures - As identified by the Management and relied upon by the Auditors

(i) Parties with Significant influence
(Direct and Indirect)

Parvathi Trading & Finance Company Pvt. Limited
Kothari International Trading Limited
Kothari Petrochemicals Limited
Kothari Safe Deposits Limited
Kothari Bio Tech Limited
Parasakthi Trading Company Pvt. Limited
Century Foods Pvt. Limited

Holding Company
Wholly owned Subsidiary
Associate
Associate
Associate
Associate
Associate

(ii) Key Management Personnel

Chairman & Managing Director Mr.B H Kothari

₹ in lakhs

Parties with Significant influence (Direct and Indirect)

Nature of Transactions	Parvathi Trading & Finance Co. Pvt. Limited		Parasakthi Trading Co. Pvt. Limited		Kothari Petro Chemicals Limited		Century Foods Pvt. Limited		Kothari Safe Deposits Limited		Kothari Bio-Tech Limited		Kothari International Trading Limited		Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2011-12	2012-13	2012-13	2011-12	2011-12	2012-13	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Rent	-	-	-	-	-	-	28.72	28.19	18.69	18.40	-	-	-	-	-	-
Electricity charges	-	-	-	-	-	-	2.82	2.54	1.29	1.12	-	-	-	-	-	-
Travel and other reimbursements	-	-	12.12	47.29	-	-	-	-	6.48	3.11	-	-	0.01	5.28	-	-
Commission Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	137.88	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	-	-	261.70	49.00	-	-
Rates & Taxes-Reimbursed	-	-	-	-	-	-	-	-	3.41	2.15	-	-	-	-	-	-
Purchase of water	-	-	-	-	-	-	-	-	-	-	1.78	0.54	-	-	-	-
Remuneration of CMD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53.76
Commission to CMD	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47.15
Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	284.45	284.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Balances																
Loans and Advances	-	-	-	-	-	-	-	-	-	-	21.22	21.16	55.51	60.80	-	-
Term Loans	(967.84)	(1,085.15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zero Coupon Bonds	(1,742.35)	(1,909.49)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Deposit	-	-	-	-	-	-	-	-	13.87	13.87	-	-	-	-	-	-
Investment in Share Capital	5,408.66	4,998.66	1,201.90	1,201.90	-	-	-	-	-	-	-	-	99.99	99.99	-	-
Share Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

HOLDING COMPANY:- KOTHARI SUGARS AND CHEMICALS LIMITED (KSCL)	
SUBSIDIARY COMPANY :- KOTHARI INTERNATIONAL TRADING LMITIED (KITL)	
Name of the Subsidiary Company	KITL
1. Financial Year of the subsidiary ended on	31.03.2013
2. Year from which they become Subsidiary Company	1996
3. Share of the Subsidiary (KITL) held by the holding company KSCL at the end of the Financial Year of Subsidiary Company :	
(a) No. of shares	9,99,950
(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	
(i) For the financial year ended 31.03.2013 (Rs.in lacs)	92.62
(ii) For the previous financial year of the Subsidiary Company since they became the holding Company's subsidiary. (Rs.in lacs)	118.05
b. Dealt within the holding Company's accounts	
(i) For the financial year ended 31.03.2013	Nil
(ii) 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.	Same as 3(c) above
b. Material change in respect of Subsidiaries (Rs.in lacs)	
(i) Fixed Assets	No Change
(ii) Investments	No Change
(iii) Moneys lent	(160.56)
(iv) Moneys Borrowed	(266.98)

For and on behalf of the Board

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

B.H. Kothari
 Chairman and Managing Director

P.S.Gopalakrishnan
 Director

M.Rajasekar
 Partner
 M.No.228637

 Place : Chennai
 Date : May 30, 2013

R.Prakash
 Company Secretary

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Kothari Sugars and Chemicals Limited

We have audited the accompanying consolidated financial statements of Kothari Sugars and Chemicals Limited ("the Company") and its subsidiaries (the company and its subsidiaries constitute the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended of the Group on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements / financial information of the subsidiary, whose financial statement /financial information reflect total assets (net) of Rs.166.76 lakhs as at 31st March 2013, and total revenues of Rs. 276.80 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of other auditors .

Our opinion is not qualified in respect of this matter.

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

Place : Chennai
 Date : May 30, 2013

M. Rajasekar
 Partner
 M.No. 228637

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

₹ in lakhs

	Particulars	Note No.	As at 31.03.2013		As at 31.03.2012	
I	EQUITY AND LIABILITIES					
1)	Shareholders' funds					
	a) Share Capital	2	9,113.86		9,213.86	
	b) Reserves and surplus	3	5,307.20		4,613.25	
				14,421.06		13,827.11
2)	Non-Current liabilities					
	a) Long-term borrowings	4	10,616.98		10,137.85	
	b) Deferred tax liabilities (Net)	5	2,071.31		1,383.89	
	c) Other Long term liabilities	6	1,796.11		2,218.66	
				14,484.40		13,740.40
3)	Current liabilities					
	a) Short-term borrowings	7	5,856.29		1,949.97	
	b) Trade payables	8	2,077.18		4,318.48	
	c) Other current liabilities	9	2,772.07		3,403.31	
	d) Short-term provisions	10	57.02		50.41	
				10,762.56		9,722.17
	TOTAL			39,668.02		37,289.68
II	ASSETS					
1)	Non-current assets					
	a) Fixed assets					
	i) Tangible assets	11	22,658.33		18,236.69	
	ii) Intangible assets	11	11.34		16.68	
	iii) Capital work-in-progress		66.17		2,510.19	
	b) Non-current investments	12	1,211.20		1,211.20	
	c) Long-term loans and advances	13	619.98		935.27	
	d) Other non-current assets	14	458.96		82.50	
				25,025.98		22,992.53
2)	Current assets					
	a) Current investments	15	809.14		627.05	
	b) Inventories	16	9,773.56		9,074.40	
	c) Trade receivables	17	1,672.59		2,016.20	
	d) Cash and Bank balances	18	1,379.48		1,859.44	
	e) Short-term loans and advances	19	727.49		485.66	
	f) Other current assets	20	279.78		234.40	
				14,642.04		14,297.15
	TOTAL			39,668.02		37,289.68
	Significant Accounting Policies & Notes to Accounts	1- 40				

For and on behalf of the Board

As per our Report of even date

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

B.H. Kothari
 Chairman and Managing Director

P.S.Gopalakrishnan
 Director

M.Rajasekar
 Partner
 M.No.228637

 Place : Chennai
 Date : May 30, 2013

R.Prakash
 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013 ₹ in lakhs

	Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I	Revenue from Operations (Gross)	21	44,399.88	33,111.15
	Less:Excise Duty		1,098.18	756.70
	Revenue from operations (net)		43,301.70	32,354.45
II	Other Income	22	804.21	480.74
III	Total Revenue (I+II)		44,105.91	32,835.19
IV	Expenses:			
	(a) Cost of materials consumed	23	33,298.54	27,139.59
	(b) Changes in inventories of finished goods Work-in-progress and Stock-in-Trade	24	(498.05)	(3,343.03)
	(c) Employee benefits expense	25	1,743.07	1,458.18
	(d) Finance costs	26	585.66	510.29
	(e) Depreciation and amortization expenses	27	1,689.21	1,315.08
	(f) Other expenses	28	5,518.08	3,784.97
	Total Expenses		42,336.51	30,865.08
V	Profit before exceptional and extraordinary items and tax (III-IV)		1,769.40	1,970.11
VI	Exceptional items		-	-
VII	Profit before tax (V-VI)		1,769.40	1,970.11
	Add: Share of Profit before exceptional income in Associate		0.86	17.84
VIII	Less : Tax expense			
	(a) Current tax		389.75	395.75
	(b) Deferred tax		687.42	664.01
			1,077.17	1,059.76
IX	Profit for the year (VII-VIII)		693.09	928.19
X	Earnings per equity share:			
	1) Basic		0.84	1.12
	2) Diluted		0.84	1.12
	Significant Accounting Policies & Notes to Accounts	1- 40		

For and on behalf of the Board

As per our Report of even date

for R.Subramanian and Company
Chartered Accountants

B.H. Kothari
Chairman and Managing Director

P.S.Gopalakrishnan
Director

M.Rajasekar
Partner
M.No.228637

Place : Chennai
Date : May 30, 2013

R.Prakash
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013 ₹ in lakhs

	Particulars	As at 31.03.2013		As at 31.03.2012	
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before tax		1,770.25		1,987.95
	Adjustments for :				
	Depreciation	1,689.21		1,315.08	
	Interest Income	(72.22)		(244.27)	
	Dividend Income from Associate	(60.17)		(60.17)	
	Bad Debts	263.86		82.23	
	Liability no longer required written back	(180.26)		(9.10)	
	Provision for Compensated absences	27.37		20.08	
	Finance Cost - Interest	528.74		467.03	
	Unrealised Exchange Variation (Net)	-		(9.22)	
	Provision for Diminution in value of Investments	13.87		75.70	
	Loss on Sale of assets (Vehicles)	-		2.41	
	Loss / (Gain) on sale of Investments	(69.43)		163.42	
	Income from Mutual Fund Investment	(53.15)		(34.76)	
	Adjustments for reserves - Associate	(0.86)		(17.84)	
			2,086.96		1,750.60
	Operating Profit before Working Capital changes		3,857.21		3,738.55
	(Increase) / Decrease in Trade Receivables	79.59		(659.72)	
	(Increase) / Decrease in Other Receivables	270.72		77.07	
	(Increase) / Decrease in Inventories	(699.16)		(3,604.00)	
	Increase / (Decrease) in Trade Payables and Other Payables	(3,523.44)		422.70	
			(3,872.29)		(3,763.95)
	Cash Generation from Operations		(15.08)		(25.41)
	Less: Income Tax Paid		350.00		476.54
	Net Cash Generation from Operating Activities - (A)		(365.08)		(501.95)
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Capital Expenditure		(3,661.49)		(2,168.84)
	Proceeds from sale of Investments (net)		(195.95)		2,464.64
	Interest Received		72.22		244.27
	Dividend Income from Associate		60.17		60.17
	Consideration for Sale of Fixed assets		-		10.40
	(Loss) / Gain on sale of Investments		69.43		(163.42)
	Income from Mutual Fund Investment		53.15		34.76
	Net Cash from Investing activities - (B)		(3,602.46)		481.98
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Redemption of Preference Share Capital		(100.00)		(100.00)
	Proceeds from Term loans and Other borrowings		5,706.38		389.59
	Repayment of Borrowings		(1,320.93)		(1,932.31)
	Interest paid		(528.74)		(467.03)
	Net Cash used in Financing activities - (C)		3,756.71		(2,109.75)
	Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)		(210.85)		(2,129.72)
	Cash and Cash equivalents at the beginning of the year		1,443.29		3,573.00
	Cash and Cash equivalents at the close of the year (Ref.Note 18)		1,232.44		1,443.29
			210.85		2,129.72

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

B.H. Kothari
 Chairman and Managing Director

P.S.Gopalakrishnan
 Director

M.Rajasekar
 Partner
 M.No.228637

 Place : Chennai
 Date : May 30, 2013

R.Prakash
 Company Secretary

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**NOTE 1****CORPORATE INFORMATION**

Kothari Sugars and Chemicals Limited (referred to as "KSCL" or the "Company") and its subsidiaries (collectively referred to as the "Group") are the Manufacturers of Sugar, Alcohol and Co-generation of power having units at Kattur and Sathamangalam, Tamilnadu and Trading in exports.

SIGNIFICANT ACCOUNTING POLICIES**(a) 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.

(b) USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financials and reported amounts of income and expense during the year. Example of such estimates include provision for doubtful receivables, employee benefits, provision for income taxes, accounting for contract costs expected to be incurred, the useful lives of depreciable fixed assets and provision for impairment

(c) 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 & 23 (AS 21 & 23).

(d) FIXED ASSETS & DEPRECIATION

- (i) 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 capitalized.
- (ii) 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.

(e) 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.

(f) INVESTMENTS

Investments are classified into current and long term Investments in line with the revised schedule VI requirement. Current Investments are stated at lower of cost and Fair Value. Long term Investments are valued at Cost. A provision for diminution is made to recognize a decline other than temporary in the value of Investments.

(g) INVENTORIES

- (i) Raw Materials and Stores and Spares are valued at weighted average cost.
- (ii) Finished Stocks are valued at cost (including applicable overheads and excise duty) or net realizable values whichever is lower.
- (iii) Work-in-Process value is derived from the value of finished goods less estimated cost of work still to be completed.
- (iv) Modvat / Cenvat / Service Tax credits on materials / capital items are availed on purchases / installation of assets respectively and utilized for payment of excise duty on goods manufactured and the unutilized credit is carried forward in the books.

(h) REVENUE RECOGNITION

- (i) All revenues are accounted on accrual basis
- (ii) Sales are net of trade discounts and sales tax.

(i) 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 with the underwriters, 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.

(j) RESEARCH AND DEVELOPMENT

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

(k) SEGMENT REPORTING

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

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

(l) 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.

(m) PROVISION OF CONTINGENT LIABILITIES

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

(n) 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.

(o) 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.

(p) LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the Lessor are classified as operating leases. Rental payments made under operating leases are charged to the statement of Profit and Loss.

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease Income on such operating leases is recognized in the Statement of Profit and Loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
2	SHARE CAPITAL		
	Authorised		
	13,00,00,000 (P.Y. 13,00,00,000) Equity Shares of Rs 10/- each	13,000.00	13,000.00
	12,00,000 (P.Y. 12,00,000) Redeemable Preference shares of Rs.100/- each	1,200.00	1,200.00
	20,00,000 (P.Y. 20,00,000) Redeemable Preference shares of Rs.10/- each	200.00	200.00
		1,400.00	1,400.00
	Total	14,400.00	14,400.00
	ISSUED SUBSCRIBED AND FULLY PAID-UP		
	Equity Share Capital		
	8,28,88,580 (P.Y. 8,28,88,580) Equity Shares of Rs.10/- each	8,288.86	8,288.86
	{Of the above the holding company holds 5,40,86,610 shares (P.Y. 4,99,86,610 shares)}		
	The Company has issued only one class of Equity shares having par value of Rs.10/- each. Each holder of equity shares is entitle to one vote per share.		
	Zero Percent Redeemable Preference Share Capital		
	12,00,000 (P.Y.12,00,000) Preference Shares of Rs 100/- each	1,200.00	1,200.00
	Less: Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	492.85	407.14
	A	707.15	792.86
	{Out of 12,00,000 shares, the holding Company (Parvathi Trading & Finance Co.Pvt.Ltd) holds 2,50,000 shares}		
	The redemption is as under:		
	50 % of the face value of preference shares in 28 equal quarterly instalments commencing from 17.9.2007. The balance 50% of the face value of the preference shares in 8 equal quarterly instalments commencing from 7.09.2014.		
	Zero Percent Redeemable Preference Share Capital		
	20,00,000 (P.Y.20,00,000) Preference Shares of Rs 10/- each	200.00	200.00
	Less: Amount paid towards redemption in quarterly instalments as per AAIFR Order dated 17.06.2004	82.15	67.86
	B	117.85	132.14
	These will be redeemed as under:		
	50 % of the face value of preference shares in 28 equal quarterly instalments commencing from 17.9.2007. The balance 50% of the face value of the preference shares in 8 equal quarterly instalments commencing from 17.09.2014.		
	A+B	825.00	925.00
	Total	9,113.86	9,213.86

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
	(a) Equity Shares	No. of Shares	
	Reconciliation of Number of Shares		
	Shares outstanding as at 1st April 2012 / 1st April 2011	8,28,88,580	8,28,88,580
	Shares outstanding as at 31st March 2013 / 31st March 2012	8,28,88,580	8,28,88,580
	List of shareholders holding more than 5% of the total number of shares issued by the Company:		
	Parvathi Trading & Finance Co. Pvt. Ltd. (65.25%) (P.Y.60%)	5,40,86,610	4,99,86,610
	(b) Preference Shares		
	Reconciliation of Number of Shares		
	Zero percent Preference shares of Rs.100/- each		
	Shares outstanding as at 1st April 2012 / 1st April 2011	12,00,000	12,00,000
	Shares outstanding as at 31st March 2013 / 31st March 2012	12,00,000	12,00,000
	List of Preference shareholders holding more than 5% of the total number of shares issued by the Company		
	Industrial Development Bank of India (45.83%) (P.Y.45.83%)	5,50,000	5,50,000
	Parvathi Trading & Finance Co. Pvt. Ltd (Holding Company) (20.83%) (P.Y.20.83%)	2,50,000	2,50,000
	Federal Bank (16.67%) (P.Y.16.67%)	2,00,000	2,00,000
	Reconciliation of Number of Shares		
	Zero percent Preference shares of Rs.10/- each		
	Shares outstanding as at 1st April 2012 / 1st April 2011	20,00,000	20,00,000
	Shares outstanding as at 31st March 2013 / 31st March 2012	20,00,000	20,00,000
	List of Preference shareholders holding more than 5% of the total number of shares issued by the Company		
	Industrial Development Bank of India (100%) (P.Y.100%)	20,00,000	20,00,000
3	Reserves and Surplus	₹ in lakhs	
	Capital Redemption Reserve		
	Opening Balance	475.00	375.00
	Add: On redemption of Preference Shares	100.00	100.00
	Total	575.00	475.00
	Debenture Redemption Reserve		
	Opening Balance	600.00	525.00
	Add: Transferred from Surplus in Statement of Profit and Loss	75.00	75.00
	Total	675.00	600.00
	Surplus in statement of Profit and Loss		
	Opening Balance	3,038.47	2,285.28
	Add: Profit for the Year	693.09	928.19
	Less:		
	Transfer to Capital Redemption Reserve	100.00	100.00
	Transfer to Debenture Redemption Reserve	75.00	75.00
	Closing Balance	3,556.56	3,038.47
	Add: Excess provision on investments in Associate	500.64	499.78
	Grand Total	5,307.20	4,613.25

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
4	Long Term borrowings		
	Debentures		
	20,31,018 (P.Y. 20,31,018) Zero Coupon Bonds of Rs.100/- each redeemable at par in equal quarterly instalments from 4 th (2007-2008) to 10 th year (2013 - 14)	2,031.02	2,031.02
	Less : Amount paid towards redemption in quarterly instalments as per AAIFR order dated 17.06.2004.	1,958.50	1,668.35
	Rs.362.67 lacs (P.Y. Rs.72.52 lacs under long term borrowings and Rs.290.16 lacs under current maturities of long term debt) (P.Y. Rs.652.83 lacs) are secured by first charge on all movable and immovable properties situated in the state of Gujarat and Kattur unit in Tamil Nadu, except book debts of the Company.		
	Of the above, Rs.208.92 lacs (P.Y. Rs.376.05 lacs) is due to the Holding Company		
	Repayable in 28 equal quarterly instalments starting from September 2007. Last installment due in June 2014. Number of installments due 5. Rate of Interest – Nil		
	Total (a)	72.52	362.67
	20,31,017 (P.Y. 20,31,017) Zero Coupon Bonds of Rs.100/- each redeemable at par at the end of the 25 th year (2029-2030)	2,031.02	2,031.02
	Of the above, amount due to the Holding Company Rs.1,533.43 Lacs		
	Secured by first charge on all movable and immovable properties except book debts of the company situated in the state of Gujarat and Kattur unit in Tamil Nadu. Repayment in year 2029-30 in one single instalment. Rate of Interest Nil		
	Total (b)	2,031.02	2,031.02
	Total (a+b)	2,103.54	2,393.69
	Debentures/Zero coupon Bonds are secured by the first charge on all movable and immovable properties situated in the state of Gujarat and Kattur unit in Tamilnadu, except book debts of the company.		
Term Loans from			
Banks	1,590.78	-	
Sugar Development Fund	5,395.75	5,992.90	
Holding Company (Parvathi Trading & Finance Co. Pvt. Ltd.)	850.52	967.84	
Others	645.41	734.43	
Total (c)	8,482.46	7,695.17	
Secured	7,837.05	6,960.74	
Unsecured	645.41	734.43	
	8,482.46	7,695.17	
Current maturities of Long Term Debt grouped under "Other Current Liabilities" (Refer Note 9)	1,294.17	1,907.89	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**Term Loan from banks**

- i) Term Loan from Indian Bank Rs.1,500 lacs (P.Y. Rs.Nil) of which Rs.1,464.29 lacs under long term borrowings and Rs.35.71 lacs under current maturity. Secured by Exclusive first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam sugar & cogeneration Unit. Balance instalments 84. Rate of Interest 11.70% p.a. Amount of each instalment Rs.17.86 lacs.
- ii) Term Loan from Indian Bank 148.82 lacs (P.Y. Rs.Nil) of which Rs.126.50 lacs under long term borrowings and Rs.22.32 lacs under current maturity. Secured by Exclusive first charge on land, Buildings and Plant and Machinery and all movable properties (present and future) of the Sathamangalam sugar & cogeneration Unit. Balance instalments 60. Rate of Interest 11.45% p.a. Amount of each installment Rs.2.48 lacs.

Term Loan Sugar Development Fund

- i) Rs.1,283.10 Lacs (P.Y. Rs.1,283.10 Lacs) Secured by exclusive second charge on all Movable and Immovable Properties except book debts of the Company situated at Kattur, Tamil Nadu. Annual repayment in 5 equal annual instalments starting from September 2015 to September 2019. Rate of Interest 4% p.a. Amount of each installment Rs.256.62 lacs. Balance instalments 5.
- ii) Rs.1,283.10 Lacs (P.Y. Rs.1,283.10 Lacs) Secured by exclusive second charge on all Movable and Immovable Properties except book debts of the Company situated at Kattur, Tamil Nadu. Annual repayment in 5 equal annual instalments starting from December 2014 to December 2018. Rate of Interest 4% p.a. Amount of each instalment Rs.256.62 lacs. Balance instalments 5.
- iii) Rs.1,720.24 Lacs (P.Y. Rs.1,720.24 lacs) Secured by exclusive second charge on all Movable and Immovable Properties except book debts of the Company situated at Kattur Unit, Tamil Nadu. Repayment in 5 equal annual instalment starting from January 2019 to January 2023 Rate of Interest 4% p.a. Amount of each instalment Rs.344.05 lacs. Balance instalments 5.
- iv) Rs.504 lacs (P.Y. Rs. 840 lacs) of which Rs.168 Lacs under long term borrowings and Rs.336 lacs under current maturity secured by exclusive second charge on all Movable and Immovable Properties except book debts of the Company situated at Kattur, Tamil Nadu. Repayment in 10 half yearly instalments starting from March 2010 to September 2014. Balance Instalment 3. Rate of Interest 4% p.a. Amount of each instalment Rs.168 lacs.
- v) Rs.672 lacs (P.Y. Rs.1,008 lacs) of which Rs.336 Lacs under long term borrowings and Rs.336 lacs under current maturity secured by exclusive second charge on all Movable and Immovable Properties except book debts of the Company situated at Kattur, Tamil Nadu. Repayment in 10 half yearly instalments starting from September 2010 to March 2015. Balance Instalment 4. Rate of Interest 4% p.a. Amount of each instalment Rs.168 lacs.
- vi) Rs.66.22 lacs (P.Y. Rs.99.34 lacs) of which Rs.33.11 Lacs under long term borrowings and Rs. 33.11 lacs under current maturity secured by bank Guarantee. Repayment in 4 equal annual instalments from August 2011 to August 2014. Balance instalments 2. Rate of Interest – 4 % Amount of each installment Rs.33.11 lacs.
- vii) Rs.116.80 lacs (P.Y. Rs.116.80 lacs) Secured by bank Guarantee Repayment in 4 Annual Equal installments starting from April 2014 to April 2017. Balance instalments 4. Rate of Interest 4% p.a. Amount of each instalment Rs.29.20 lacs.
- viii) Rs.34.54 lacs (P.Y. Rs. 103.61 lacs) of which Rs. Nil under long term borrowings and Rs.34.54 lacs under current maturity secured by bank Guarantee. Repayment in 8 half yearly instalments starting from January 2010 to July 2013. Balance instalments 1. Rate of Interest 4% p.a. Amount of each instalment Rs.34.54 lacs.
- ix) Rs.272.79 lacs (P.Y. Rs.272.79 lacs) Repayment 4 equal Annual instalments starting from February 2015 to February 2018. Secured by Bank Guarantee. Balance instalments 4. Rate of Interest 4% p.a. Amount of each instalment Rs.68.20 lacs.
- x) Rs.182.61 lacs (P.Y. Rs.Nil) Repayment 4 equal Annual instalments starting from February 2016 to February 2019. Secured by Bank Guarantee. Balance instalments 4. Rate of Interest 6.75% p.a. Amount of each instalment Rs.45.65 lacs.

Term Loan From Holding Company

- i) Rs.821.20 lacs (P.Y. Rs.821.20 lacs). Secured by Hypothecation of Movable properties including plant and machinery and Inventories situated at Kattur unit, Tamil Nadu. Payable in June 2029. Rate of Interest – Nil. No. of instalments 1.
- ii) Rs.146.64 lacs (P.Y. Rs.263.96 lacs) of which Rs.29.32 Lacs under long term borrowings and Rs.117.32 lacs under current maturity secured by hypothecation of movable properties including plant and machinery and Inventories situated at Kattur unit , Tamil Nadu Payable in 28 equal quarterly instalments Balance Instalments 5. Rate of Interest – Nil Amount of each instalment Rs.29.33 lacs.

Term Loan From Others (Unsecured)

- i) Rs.623.15 lacs (P.Y. Rs.623.15 lacs) payable in June 2029. Rate of Interest – Nil. No. of instalments 1.
- ii) Rs.111.28 lacs (P.Y. Rs. 200.30 lacs) of which Rs.22.26 Lacs under long term borrowings and Rs. 89.02 lacs under current maturity. Repayment in 28 equal quarterly instalments. Balances instalments 5. Rate of Interest Nil. Amount of each instalment Rs.22.26 lacs.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
	Other Loans (Secured)		
	Vehicle Loan	30.98	48.99
	Total (d)	30.98	48.99
	Total (a+b+c+d)	10,616.98	10,137.85
	Vehicle loan from Kotak Mahindra Prime Ltd Rs.58.87 lacs (P.Y.Rs.48.99 lacs) of which Rs.27.89 lacs is shown under Current liabilities "Current maturity of vehicle loan". Last repayment due in March 2015. Amount of each installment Rs.2.73 lacs. Balances installments 23. Rate of Interest 10.42% p.a.		
5	Deferred Tax Liability / (Asset)		
	Deferred Tax Liability		
	Timing Difference on Depreciation of Fixed Assets	3,065.56	2,879.37
	Deferred Tax Asset on		
	Sec.43B expenses allowable on payment under IT Act 1961	(192.03)	(273.78)
	Provision for Diminution in value of current investments	(4.50)	(38.43)
	Carry Forward Depreciation loss	(797.72)	(1,183.27)
	Deferred Tax Liability (Net)	Total	
		2,071.31	1,383.89
6	Other Long-term Liabilities		
	Trade payables	192.06	520.62
	Interest accrued but not due on Loans	761.78	589.34
	Deferred Sales Tax payable as per AAIFR	387.83	607.04
	Other payables and Deposits	454.44	501.66
	Total	1,796.11	2,218.66
7	Current Liabilities		
	(A) Short-Term Borrowings - Secured		
	Loans repayable on demand		
	From banks*	4,356.29	1,949.97
	Total (a)	4,356.29	1,949.97
	*Cash Credit from Indian Bank for Rs. 4,356.29 Lacs (P.Y. Rs.1,949.97 Lacs) is secured by exclusive first charge on land, Buildings and Plant and Machinery and all the movable properties (present and future) of the Sathamangalam sugar and cogeneration Unit		
	(B) Short-Term Borrowings - Unsecured		
	Loans repayable on demand		
	From Parasakthi Trading Co.Pvt.Ltd	1,500.00	-
	Total (b)	1,500.00	-
	Total (a+b)	5,856.29	1,949.97
8	Trade Payables	2,077.18	4,318.48
	Total	2,077.18	4,318.48
	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 could not be given.		
9	Other Current Liabilities		
	Current maturity of long term debt	1,294.17	1,907.89
	Current maturity of Deferred Sales Tax payable as per AAIFR	204.05	204.05
	Current maturity of Interest accrued but not due on borrowings	12.77	16.20
	Current maturity of vehicle loan	27.89	32.73
	Statutory Remittances	242.68	257.28
	Gratuity	31.27	58.81
	Advances from Customers	28.47	161.14
	Others	930.77	765.21
	Total	2,772.07	3,403.31

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Note No	Particulars	₹ in lakhs	
		As at 31 st March 2013	As at 31 st March 2012
10	Short-term Provisions		
	Provision for employee benefits	27.37	20.08
	Compensated absences	2.96	2.50
	Superannuation	26.69	27.83
	Bonus & Exgratia		
	Total	57.02	50.41

11. Fixed Assets

Particulars	Gross Block			Depreciation			Net Block		
	As at 01.04.2012	Additions	Disposals	As at 31.03.2013	As at 01.04.2012	For the Year	Deductions	As at 31.03.2013	As at 31.03.2012
(i) Tangible Assets									
Land	362.34	2.00	-	364.34	-	-	-	364.34	362.34
Buildings	3,497.10	567.70	-	4,064.80	864.57	274.71	-	2,925.52	2,632.53
Plant and Equipment	28,150.09	5,288.67	-	33,438.76	13,225.36	1,360.66	-	18,852.73	14,924.73
Furniture and Fixtures	223.07	23.16	-	246.23	111.03	38.22	-	96.99	112.04
Vehicles	268.92	223.98	-	492.90	63.87	10.28	-	418.75	205.05
Total	32,501.52	6,105.51	-	38,607.03	14,264.83	1,683.87	-	22,658.33	18,236.69
Previous year	31,387.26	1,172.15	57.74	32,501.66	13,004.21	1,309.59	48.82	18,236.69	18,383.06
(ii) Intangible assets									
Computer Software	33.98	-	-	33.98	17.30	5.34	-	11.34	16.68
Total	33.98	-	-	33.98	17.30	5.34	-	11.34	16.68
Previous year	32.91	1.08	-	33.98	11.82	5.48	-	16.68	21.09

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
12	Non-Current Investments		
	Non-Trading Investments	1,211.20	1,211.20
		1,211.20	1,211.20
	Investments in Equity instruments	1,211.15	1,211.15
	Investments Others	0.05	0.05
	Total	1,211.20	1,211.20
13	Long Term Loans and Advances (Unsecured, considered good)		
	Capital Advances	4.39	173.43
	Security deposits		
	Related Parties	13.87	13.87
	Others	69.04	78.80
	Loans and advances to related parties		
	Doubtful	21.22	21.15
	Others	-	-
		108.52	287.25
	Less: Provision for doubtful loans and advances	21.15	21.15
	Total (a)	87.37	266.10
	Other loans and advances - Income Tax refund receivable net of provision for Tax	532.21	508.21
	Loans and advances - Others	0.40	160.96
	Total (b)	532.61	669.17
	Total (a+b)	619.98	935.27
14	Other Non-Current Assets		
	Advance to Suppliers	53.55	56.88
	Application money for Investments in Bonds	400.00	-
	Others	5.41	25.62
	Total	458.96	82.50
15	CURRENT ASSETS		
	Current Investments		
	Investments in Equity instruments	172.25	157.78
	Investments in Mutual funds	769.20	587.72
	Less : Provision for Diminution [Refer Note no 15 (b)] (Refer note 1 (f) for method of valuation)	132.31	118.45
	Total	809.14	627.05
16	Inventories		
	Raw materials and packing materials	241.89	209.64
	Work in progress	274.88	354.39
	Finished goods	8,546.79	8,000.19
	Stores and spares	710.00	510.18
	(Refer note 1 (g) for method of valuation)		
	Total	9,773.56	9,074.40
17	Trade Receivables		
	(Unsecured, Considered good)		
	For a period exceeding six months	418.25	581.76
	Others	1,254.34	1,434.44
	Total	1,672.59	2,016.20

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
18	Cash and Cash Equivalents		
	Cash on Hand	1.57	1.57
	Balances with Bank - In current accounts	841.65	346.77
	Fixed Deposit with Banks	389.22	1,094.95
	Total (A)	1,232.44	1,443.29
	Other Bank Balances		
	Balances with Bank-Under Lien	13.71	273.87
	Balances held as margin money or security against borrowings, guarantees and other commitments	133.33	142.28
	Total (B)	147.04	416.15
	Total (A+B)	1,379.48	1,859.44
19	Short Term Loans and Advances (Unsecured and considered good)		
	Balances with government authorities		
	CENVAT credit receivable	255.94	208.00
	Service Tax credit receivable	5.78	48.68
	Others	11.84	2.42
	Prepaid Expenses	146.09	112.05
	Other loans and advances	307.84	114.51
	Total	727.49	485.66
20	Other Current Assets		
	Drawback entitlement	1.27	16.77
	Other Receivables	195.08	93.57
	Advance to Suppliers	83.43	124.06
	Total	279.78	234.40
21	Revenue from Operations		
	Sale of products		
	Sugar	35,890.47	23,356.96
	Industrial Alcohol	5,752.18	6,121.49
	Electric Power	2,412.00	3,012.93
	Others	302.94	201.77
	Other Operating revenues	42.29	418.00
	Total	44,399.88	33,111.15
22	Other Income		
	Interest Income		
	- From Bank Deposits	67.24	241.03
	- Others	4.98	3.24
	Dividend Income from Current Investments		
	- Others	53.15	34.76
	Dividend Income from Associate and others	60.17	60.17
	Net gain on sale of current investments	69.43	-
	Other Non-Operating Income		
	- Other Miscellaneous income	295.68	80.63
	- Exchange gain (Forex)	23.30	1.81
	- Bad debts recovered	50.00	50.00
	- Liability no longer required written back	180.26	9.10
	Total	804.21	480.74

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
	EXPENSES		
23	Cost of Materials Consumed		
	Raw Material		
	Sugarcane	31,490.19	23,931.93
	Coal	18.09	715.51
	Others	432.13	1,293.22
	Chemical and Others	613.51	551.25
	Packing	744.62	647.68
	Total	33,298.54	27,139.59
24	Changes in Inventories of Finished Goods, Work-in-progress		
	Opening Stock		
	Finished Goods		
	Sugar	7,520.51	3,897.14
	Molasses	439.34	393.24
	Industrial Alcohol	40.35	305.62
	Work in progress	-	-
	Sugar	341.05	232.45
	Molasses	13.34	30.13
	Total	8,354.59	4,858.58
	Closing Stock		
	Finished Goods		
	Sugar	8,069.25	7,520.51
	Molasses	219.78	439.34
	Industrial Alcohol	257.75	40.35
	Work in progress		
	Sugar	263.58	341.05
	Molasses	11.30	13.34
	Total	8,821.66	8,354.59
	(Increase) / Decrease over the previous year	(467.07)	(3,496.01)
	Excise duty adjustment for movement in Finished goods inventory	(30.98)	152.98
	Total	(498.05)	(3,343.03)
25	Employee Benefits Expense		
	Salaries and Wages	1,447.00	1,252.80
	Contribution to Provident and Other Funds	135.20	151.06
	Staff Welfare Expenses	160.87	54.32
	Total	1,743.07	1,458.18
26	Finance Cost		
	Interest Expense	528.74	467.03
	Other Borrowing Costs	56.92	43.26
	Total	585.66	510.29
27	Depreciation and amortization expense	1,689.21	1,315.08

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ in lakhs

Note No.	Particulars	As at 31 st March 2013	As at 31 st March 2012
28	Other Expenses		
	Consumption of stores and spare parts	1,297.42	805.27
	Power and Fuel	564.08	477.13
	Rent	64.96	47.49
	Repairs-Buildings	120.75	73.77
	Repairs to Machinery	501.40	326.56
	Repairs to Others	99.87	74.55
	Biocompost	79.71	66.03
	Insurance	79.03	65.92
	Rates and Taxes	166.56	146.97
	Excise duty expunged	631.92	304.02
	Freight & Clearing Expenses	422.18	329.96
	Directors Sitting fees	2.06	1.92
	Auditor's Remuneration		
	-Statutory Audit	2.92	2.75
	-Certification	1.20	1.20
	Travelling Expenses	190.73	84.44
	Research and Development	2.30	5.62
	Conveyance	22.97	11.78
	Professional Fees	148.54	84.38
	Commission	33.34	153.96
	Loss on Sale of Assets	-	2.41
	Rebates & Discounts	0.10	12.24
	Administration Expenses	776.98	360.59
	Bad Debts	263.86	82.23
	Diminution in value of current Investments	13.87	75.70
	Net Loss on Sale of current Investments	-	163.42
	Miscellaneous Expenses	31.36	24.64
	Total	5,518.08	3,784.97

29. 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	Associate	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 31-03-2013 & KPL (Associate) as on 31-03-2013.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**30. Employee Benefits:**

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:

(i) **Earned Leave** ₹ in lakhs

Net Liability Recognized	2012-13	2011-12
Present Value of Obligation	5.30	10.54
Fair Value of Assets	Not Applicable	Not Applicable
Net Liability Recognized	(5.30)	(10.54)

Principal Actuarial Assumptions		
Interest rate (Liabilities)	8.00%	8.00%
Return on assets	Does not arise	Does not arise
Mortality table	LIC(94-96)	LIC(94-96)
Resignation rate per annum	1%	1%
Salary escalation rate	6%	6%

(ii) Gratuity

Liability to existing employees of the Company in respect of gratuity is covered under a common insurance policy administered by a trust maintained for the participating enterprises viz. Kothari Sugars and Chemicals Limited (KSCL) and Kothari Petrochemicals Limited (KPL).

The actuarially valued liabilities under the Projected Unit Credit Method for the employees of the participating enterprise of the trust are calculated enterprise wise. The investments available with the underwriter are adjusted in proportion to the liability and the shortfall is provided for in the books of the participating enterprise. Consequently, the actuarial loss / gain if any relating to the other participating enterprise is also borne by every other participatory enterprise.

₹ in lakhs

Particulars	2012-13	2011-12
Projected benefit obligation at the beginning of the period	273.05	239.74
Current service cost	32.48	26.06
Interest cost	23.82	20.03
Actuarial loss / (gain)	12.60	22.88
Benefits paid	(18.64)	(35.66)
Projected benefit obligation at the end of the period	323.31	273.05
Amounts recognized in the balance sheet		
Projected benefit obligation at the end of the period	323.31	273.05
Fair value of plan assets at end of the period	285.10	220.14
Liability recognized in the balance sheet	38.21	52.91
Cost for the period		
Current service cost	32.48	26.06
Interest cost	23.82	20.03
Expected return on plan assets	(18.71)	(12.19)
Net actuarial (gain)/loss recognized in the period	1.73	28.64
Total	39.32	62.54
Less: Share of contribution from Associate Company	(6.94)	(3.73)
Net Cost recognized in Statement of Profit & Loss.	32.38	58.81

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

31. Contingent Liabilities: -

Parent Company

- (i) Excise duty demands under appeal Rs.614.46 Lacs (P.Y. Rs.545.12 Lacs)
- (ii) Estimated amount of contracts remaining to be executed on capital account is Rs.215.79 Lacs (P.Y. Nil)
- (iii) Urban Land Tax under appeal Rs.40.28 Lacs (P.Y. Rs.37.23 Lacs)
- (iv) Customs duty under appeal Rs.73.39 Lacs (P.Y. Rs.73.39 Lacs)
- (v) Electricity Generation Tax Rs.1,086 Lacs (P.Y. Rs.225.59 Lacs)

32. A sum of Rs.556.88 lacs was paid to DRAT, Mumbai during the year (2010-11) for discharging its liability towards the Corporate Guarantee given to Oman International Bank against the decree obtained by them in Debt Recovery Appellate Tribunal, Mumbai against the Subsidiary Company (i.e. Kothari International Trading Limited) for settlement of their loan dues. This sum was charged to the Statement of Profit and Loss of the Parent Company (i.e. Kothari Sugars and Chemicals Limited). Of the said sum of Rs.556.88 Lacs the Subsidiary Company paid a sum of Rs.261.70 during the 2012-13 and Rs.49 Lacs during 2011-12 to the parent Company which was treated as other miscellaneous income.

Consequently, in the consolidated financial statements the impact of the adjustment in the Parent Company has been given effect in the subsidiary also to enable elimination of inter Company transactions in consolidation.

33. Notes Relating to Segment

i) Business Segments

The parent 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, Distillery segment comprises of rectified spirit and denatured spirit.

The above segments have been identified taking into account the organization 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 recognized .

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.

Refer Separate workings on Segment Results - Annexure – I at Page No.65

34. Related Party Disclosures:

Refer Separate workings on Related party Transactions – Annexure – II at Page No.66

35. Earnings per Share:

Particulars	2012-13	2011-12
Net Profit after Tax (Rs.in Lacs)	693.09	928.19
No. of Equity Shares of Rs.10/- each	8,28,88,580	8,28,88,580
Earning per Share (Basic & Diluted) (Rs.)	0.84	1.12

36. Rental Income

A sum of Rs.23.98 lacs (P.Y. Rs.22.47 lacs) has been considered as rental Income from property.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**37. Operating Lease**

- a) A sum of Rs.64.96 lacs (P.Y. Rs.47.49 lacs) has been debited to Rent account, being the rent paid on premises which has been taken on operating lease.
- b) Maximum Lease payments in respect of vehicle purchased under hire purchase is as under:

₹ in lakhs

Particulars	2012-13	2011-12
Less than one year	32.73	32.73
Between 1 year and less than 5 years	32.73	65.46
Total	65.46	98.19

38. Foreign Exchange earnings and outgo

₹ in lakhs

Particulars	2012-13	2011-12
(i) Total Foreign Exchange earned	1331.24	2561.79
(ii) Total Foreign Exchange outflow	25.44	25.36

39. The brief summary of the results of Subsidiary consolidated with Parent

₹ in lakhs

Details of Subsidiary Company	Kothari International Trading Ltd	
	2012-13	2011-12
Share Capital	100.00	100.00
Reserves & Surplus	(315.27)	(407.89)
Total Liabilities	166.76	319.23
Total Assets	166.76	319.23
Total Income	276.80	200.08
Profit Before Tax	115.78	139.59
Provision for Tax	23.17	21.54
Profit After Tax	92.62	118.05
Kothari Petrochemicals Ltd	1.55	1.55
Rs.10/- each fully paid (Nos.)	15,500	15,500
Total Liabilities=Loan Funds + Current Liabilities	-	-

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

For and on behalf of the Board

As per our Report of even date

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

B.H. Kothari
Chairman and Managing Director

P.S.Gopalakrishnan
Director

M.Rajasekar
Partner
M.No.228637

Place : Chennai
Date : May 30, 2013

R.Prakash
Company Secretary

Annexure - I - Segment Information - Consolidated (Note - 33)

- a) Primary segment reporting (by Business Segments)
(i) The Company has considered business segment as the primary segment for disclosure

These are:

- (i) **Sugar**
(ii) **Power**
(iii) **Distillery**

₹ in lakhs

Particulars	Sugar		Power		Distillery		Total	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
Segment revenues	39,437.67	26,729.88	4,982.75	4,962.55	6,006.93	6,274.64	50,427.35	37,967.07
Segment results	451.49	310.29	(853.75)	(264.98)	3,192.39	2,607.89	2,790.13	2,653.19
Segment assets	21,254.49	17,432.44	7,285.07	7,845.26	5,814.48	5,910.83	34,354.04	31,188.53
Segment Liabilities	20,803.00	17,704.58	8,138.82	8,110.25	2,622.08	2,720.51	31,563.91	28,535.34
Capital Expenditure	5,884.45	21.39	92.56	38.44	16.62	977.20	5,993.63	1,037.03
Depreciation	748.40	374.78	678.10	675.89	226.86	222.28	1,653.36	1,272.95

₹ in lakhs

Reconciliation of reportable segments with the financial statements:

Particulars	Gross Revenues		Results / Net profit		Assets		Liabilities		Capital Expenditure		Depreciation	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
Total Reportable Segment	50,427.35	37,967.07	2,790.13	2,653.19	34,354.04	31,188.53	31,563.91	28,535.34	5,993.63	1,037.03	1,653.36	1,272.95
Corporate-Unallocated	-	-	(2,171.23)	(1,988.55)	6,142.68	5,303.92	8,071.50	7,115.79	111.88	136.20	35.85	42.13
Inter Segment	(7,125.66)	(5,762.62)	-	-	-	-	-	-	-	-	-	-
Other revenues	527.42	479.66	-	-	-	-	-	-	-	-	-	-
Interest	-	-	(7.30)	(2.65)	-	-	-	-	-	-	-	-
Interest and Dividend income	-	-	249.71	181.88	-	-	-	-	-	-	-	-
Others (Subsidiary)	276.80	151.08	(168.23)	84.32	1,301.95	1,470.40	1,470.18	1,383.53	-	-	-	0.01
	44,105.91	32,835.19	693.09	928.19	41,798.67	37,962.85	41,105.59	37,034.66	6,105.51	1,173.23	1,689.21	1,315.09

- b) Secondary Segment Information

Particulars	2012-13		2011-12	
	India	Rest of the World	India	Rest of the World
1. Revenue by Geographical Market	49,102.67	1,324.68	35,405.28	2,561.79
2. Carrying amount of segment Assets	34,354.04	-	31,188.53	-
3. Additions to Fixed / Intangible Assets	6,105.51	-	1,173.23	-

₹ in lakhs

Annexure - II - Related Party Disclosures - Consolidated (Note - 34)

Related party disclosures - As identified by the Management and relied upon by the Auditors

(i) Parties with Significant influence (Direct and Indirect)	Relationship	Entity
	Holding Company	Parvathi Trading & Finance Company Pvt. Limited
	Wholly owned Subsidiary	Kothari International Trading Limited
	Associate	Kothari Petrochemicals Limited
	Associate	Kothari Safe Deposits Limited
	Associate	Kothari Bio Tech Limited
	Associate	Parasakthi Trading Company Pvt. Limited
	Associate	Century Foods Pvt. Limited
(ii) Key Management Personnel	Chairman & Managing Director	Mr. B H Kothari

₹ in lakhs

Nature of Transactions	Parties with Significant influence (Direct and Indirect)													
	Parvathi Trading & Finance Co. Pvt. Limited	Parasakthi Trading Co. Pvt. Limited	Kothari Chemicals Limited	Century Foods Pvt. Limited	Kothari Safe Deposits Limited	Kothari Bio-Tech Limited	Kothari International Trading Limited	Key Management Personnel						
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Rent	-	-	-	28.72	18.69	-	-	-	-	-	-	-	-	-
Electricity charges	-	-	-	2.82	1.29	-	-	-	-	-	-	-	-	-
Travel and other reimbursements	-	-	12.12	47.29	6.48	-	0.01	5.28	-	-	-	-	-	-
Commission Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-	137.88	-	-	-
Rates & Taxes-Reimbursed	-	-	-	-	-	-	-	-	-	-	261.70	49.00	-	-
Purchase of water	-	-	-	-	3.41	-	-	-	-	1.78	-	-	-	-
Remuneration of CMD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commission to CMD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured Loan	284.45	1,500.00	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment	284.45	284.45	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Balances														
Loans and Advances	-	-	-	-	-	-	-	-	-	21.22	21.16	60.80	-	-
Term Loans	(967.84)	(1,085.15)	-	-	-	-	-	-	-	-	-	-	-	-
Zero Coupon Bonds	(1,742.35)	(1,909.49)	-	-	-	-	-	-	-	-	-	-	-	-
Unsecured Loan	-	(1,500.00)	-	-	-	-	-	-	-	-	-	-	-	-
Rental Deposit	-	-	-	-	13.87	-	-	-	-	-	-	-	-	-
Investment in Share Capital	-	-	1,201.90	-	-	-	-	-	-	-	-	-	-	-
Share Capital	5,408.66	4,998.66	-	-	-	-	-	-	-	-	99.99	99.99	-	-

**KOTHARI SUGARS AND CHEMICALS LIMITED**
Regd.Office: "Kothari Buildings", 115, Mahatma Gandhi Salai, Chennai - 600 034**PROXY FORM**

Folio No.:

* Client ID No.:

(* in case of dematerialized shares)

I / We 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 52nd Annual General Meeting of the Company to be held on Friday, the 6th September 2013, at 10.15 A.M. at The Music Academy, Mini Hall Old. No. 306, New No.168, T.T.K. Road, Chennai - 600 014 and at any adjournment thereof.

Signed this day of 2013.

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
Re. 1/-
Revenue
Stamp

**KOTHARI SUGARS AND CHEMICALS LIMITED**
Regd.Office: "Kothari Buildings", 115, Mahatma Gandhi Salai, Chennai - 600 034**ATTENDANCE SLIP****REQUEST TO MEMBERS**

Folio / Client ID No. :

Name of the
Attending MemberName of the Proxy*
* (If Proxy attends instead of member)I here by record my presence at the 52nd Annual General MeetingVenue : The Music Academy, Mini Hall
Old. No. 306, New No.168,
T.T.K. Road, Chennai - 600 014Date : Friday, 6th September, 2013

Time : 10.15 A.M.

1. Members and their proxies should bring the attendance slip duly filled in for attending the meeting.
2. Members and proxies 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.

Note : Please ensure that your Folio / Client ID Number is duly mentioned in this form.**Signature of Shareholder/Proxy**

